

John Zerwas, M.D.
Chairman



Oscar Longoria
Vice Chairman

TEXAS HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON DISASTER IMPACT AND RECOVERY

AGENDA

FRIDAY, JANUARY 12, 2018
9:00AM

WAYNE A. REAUD ADMINISTRATION BUILDING - LAMAR UNIVERSITY

Examine the use of federal funds by state agencies responding to the effects of Hurricane Harvey and identify opportunities to maximize the use of federal funds to reduce the impact of future natural disasters. Also identify the need for state resources to respond to Hurricane Harvey relief and recovery efforts, as well as opportunities for state investment in infrastructure projects that will reduce the impact of future natural disasters.

I. CALL TO ORDER

II. CHAIRMAN'S OPENING REMARKS

III. LOCAL OFFICIALS

- THE HONORABLE JIMMY SIMS, MAYOR, CITY OF ORANGE
- THE HONORABLE ROBERT VIATOR, JR., MAYOR, CITY OF VIDOR
- THE HONORABLE JEFF BRANICK, JUDGE, JEFFERSON COUNTY
- THE HONORABLE STEPHEN CARLTON, JUDGE, ORANGE COUNTY

IV. TEXAS DIVISION OF EMERGENCY MANAGEMENT

- W. NIM KIDD, CHIEF

V. TEXAS EDUCATION AGENCY

- MIKE MORATH, COMMISSIONER

VI. TEXAS GENERAL LAND OFFICE

- PETE PHILLIPS, SENIOR DEPUTY DIRECTOR OF COMMUNITY DEVELOPMENT AND REVITALIZATION

VII. HEALTH AND HUMAN SERVICES PANEL

- BEN C. MAZZARA, EXECUTIVE DIRECTOR, CALDER WOODS SENIOR LIVING
- NICHOLAS HEBERT, REGIONAL VICE PRESIDENT OF OPERATIONS, SOUTHWEST LTC MANAGEMENT
- TODD A. SENTERS, SERVICE LINE AND FACILITY ADMINISTRATOR, BAPTISTS HOSPITALS OF SOUTHEAST TEXAS
- KIM MONCLA, EXECUTIVE DIRECTOR, PHILANTHROPIC SERVICES, BAPTISTS HOSPITALS OF SOUTHEAST TEXAS
- TOM FLANAGAN, VICE PRESIDENT OF TRAUMA SERVICE LINE AND SYSTEM INTEGRATION, MEMORIAL HERMANN HEALTH SYSTEM

VIII. TEXAS DEPARTMENT OF CRIMINAL JUSTICE

- BRYAN COLLIER, EXECUTIVE DIRECTOR

IX. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

- BRYAN W. SHAW, CHAIRMAN

X. CLOSING REMARKS AND ADJOURNMENT

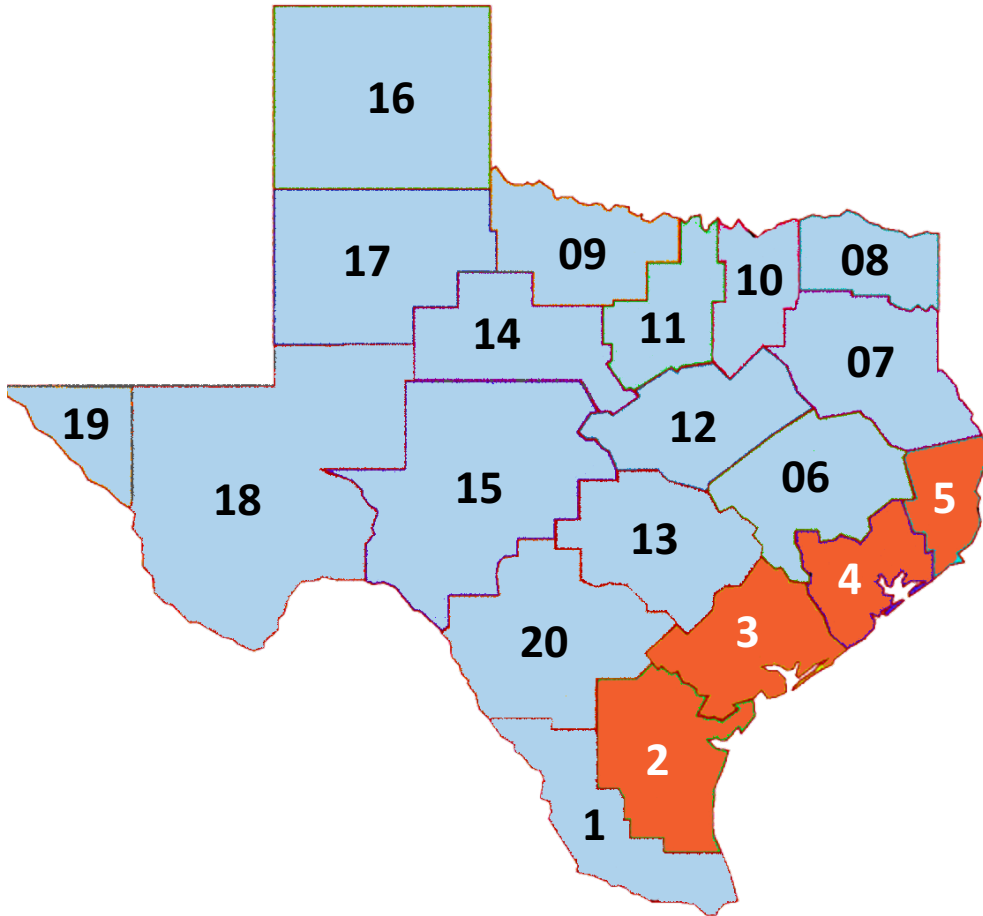


Hurricane Harvey Response

SUMMARY OF AGENCY ACTIONS AND DISASTER SUPPORT

HOUSE APPROPRIATIONS COMMITTEE, JANUARY 12, 2018

Hurricane Harvey Impact



■ Education Service Center Regions with Delayed School Openings



Districts With Delayed Reopenings

- 1 week delayed
61 Districts
- 2 weeks delayed
62 Districts
- 3 weeks delayed
11 Districts
- 4+ weeks delayed
9 Districts

* Approximation based on available data

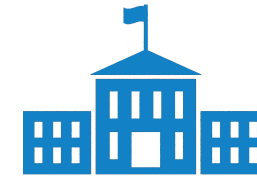
Assessment and Accountability



Testing dates



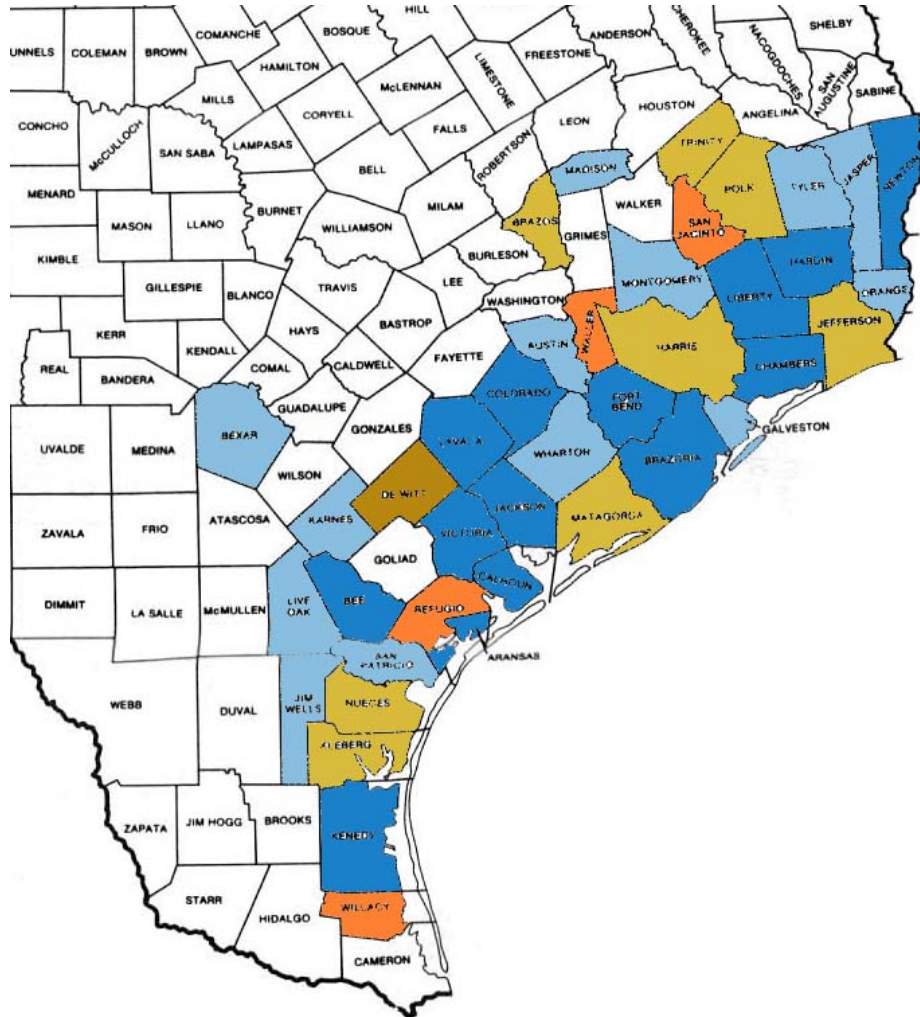
Student Accountability



District Accountability

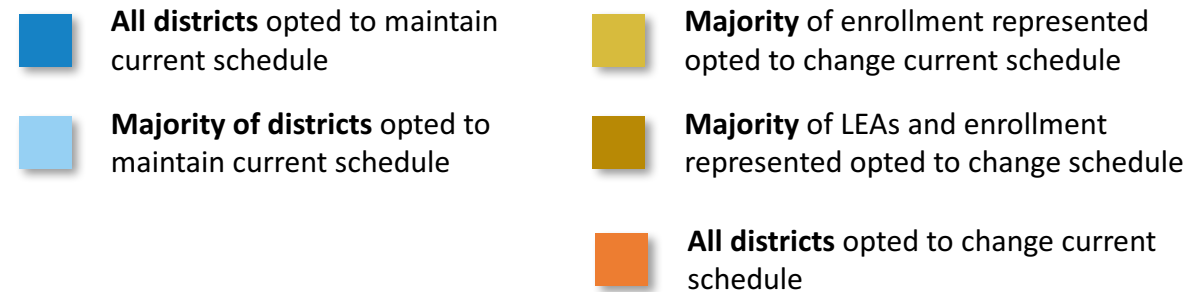
Academic & Financial

STAAR Testing Dates

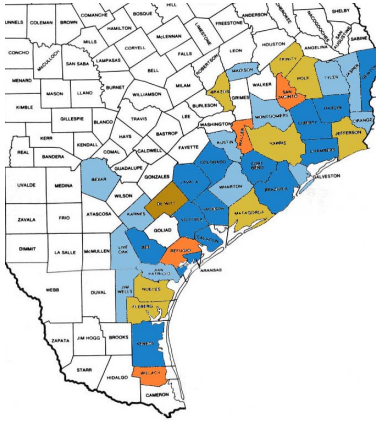


STAAR Administration Survey Results

- **1.9 million** students attend school within the surveyed counties, **1.5 million** in surveyed districts
- **59%** of districts responded to survey on potential delay of STAAR administration windows
- **40** counties represented in the survey
- **182** districts represented in the survey



District Response By Delay Time



77% of districts representing **65%** of students enrolled in affected area want to maintain current testing schedule. **59%** of Districts Reporting.

	A week or less delay		2 weeks delay		3+ weeks delay		Total	
	District Count	Student Count	District Count	Student Count	District Count	Student Count	District Count	Student Count
Maintain current testing windows	92	285,074	40	660,704	8	25,901	140	971,679
Delay testing for two weeks for both windows	21	97,966	17	402,979	4	32,565	42	533,510
Total	113	383,040	57	1,063,683	12	58,466	182	1,505,189

Given the feedback received from districts, the agency is maintain the existing testing schedule.

Student Accountability



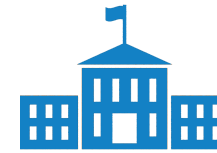
5th and 8th Grade

- Students must pass STAAR in reading and math. If they don't, they must participate in a grade placement committee process and potentially have to repeat grade

First administration – **April 10-13**

Second administration – **May 14-18**

Third administration* – **June 26-29**



End-of-Course (EOC)

- High school students must pass at least 3 EOCs to graduate
- No Commissioner authority to waive EOC requirements

* The third administration is not used for campus accountability

Student Success Initiative: Elimination of Certain Requirements



Action Taken

- On December 14, 2017, TEA removed the requirement for grade placement committees for districts within the Presidential Disaster Declaration and,
- TEA also removed the requirement for the June 2018 STAAR retests in fifth and eighth-grades for districts within the Presidential Disaster Declaration.



What This Means

- If a student in a district or charter within the Presidential Disaster Declaration fails the second test administration, districts will not be required to administer a third test and will have local discretion on whether that student should advance to the next grade.

District Accountability: Elimination of Certain Requirements



Action Taken

- Asked U.S. Department of Ed for a waiver
- Communicated to districts that exceptions will be outlined in forthcoming rules
- Collected data on student displacement, facilities disruptions and we will be gathering data on staff displacements



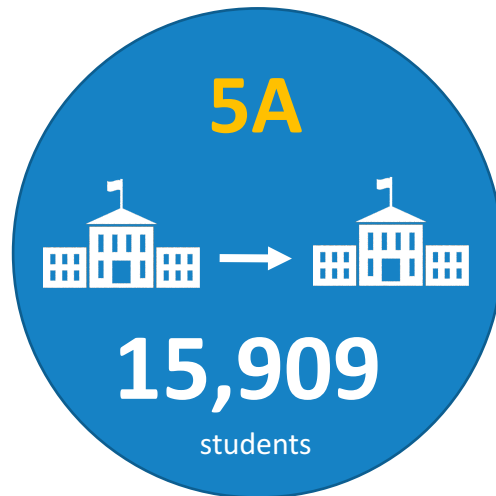
What This Means

- Subject to thresholds to be defined, certain campuses and districts may not receive ratings and/or may be given exemptions for displaced students

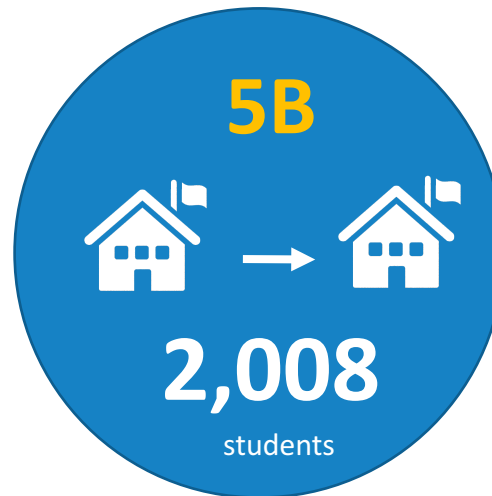
Harvey's Impact on Accountability

TEA's Data Collection Efforts – Crisis Codes

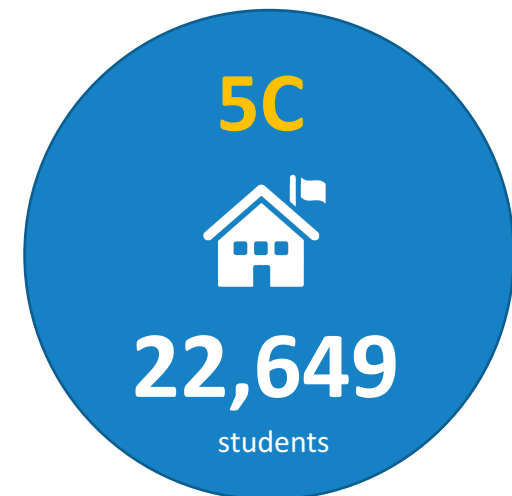
TEA has issued two To the Administrator Addressed (TAA) letters adding “**crisis codes**” to more accurately monitor displaced students. On October 5th, TEA informed LEAs of the new, more detailed crisis codes (**5A, 5B, and 5C**). There are still **123 students** coded with the original 05 crisis code as LEAs are still working on recoding these students.



Student was enrolled in an LEA impacted by Harvey, and the student **enrolled in a different LEA** during the 2017-2018 school year.



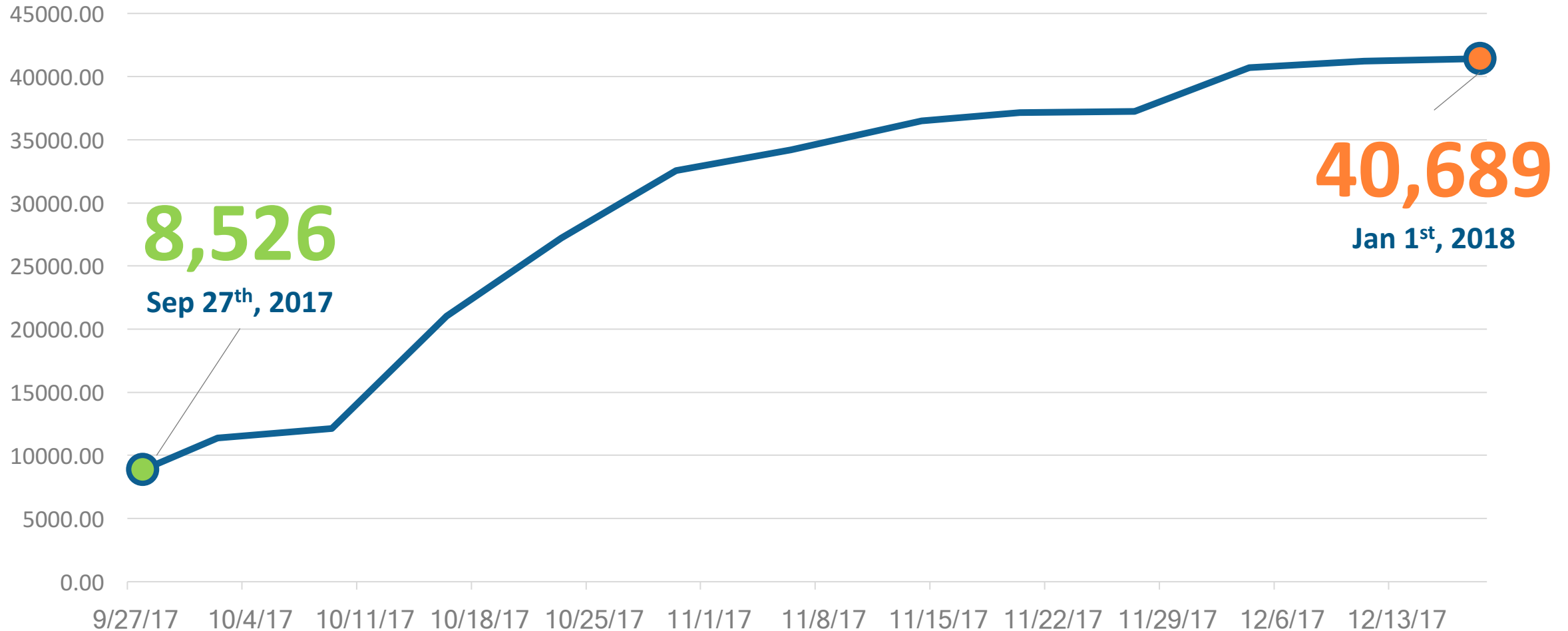
Student was enrolled in an LEA impacted by Harvey, and the student **enrolled in another campus** in the same LEA during the 2017-2018 school year



Student identified as homeless because of Harvey but **remained enrolled in home campus** during the 2017-2018 school year

* Numbers current as of Jan. 1, 2018

Use of Crisis Codes Throughout Recovery Period



Harvey Impact on Accountability HB 1842 Interventions

The following districts have at least one campus that has been Improvement Required for four or more years. Highlighted districts are in counties within the **Governor's disaster declaration**.



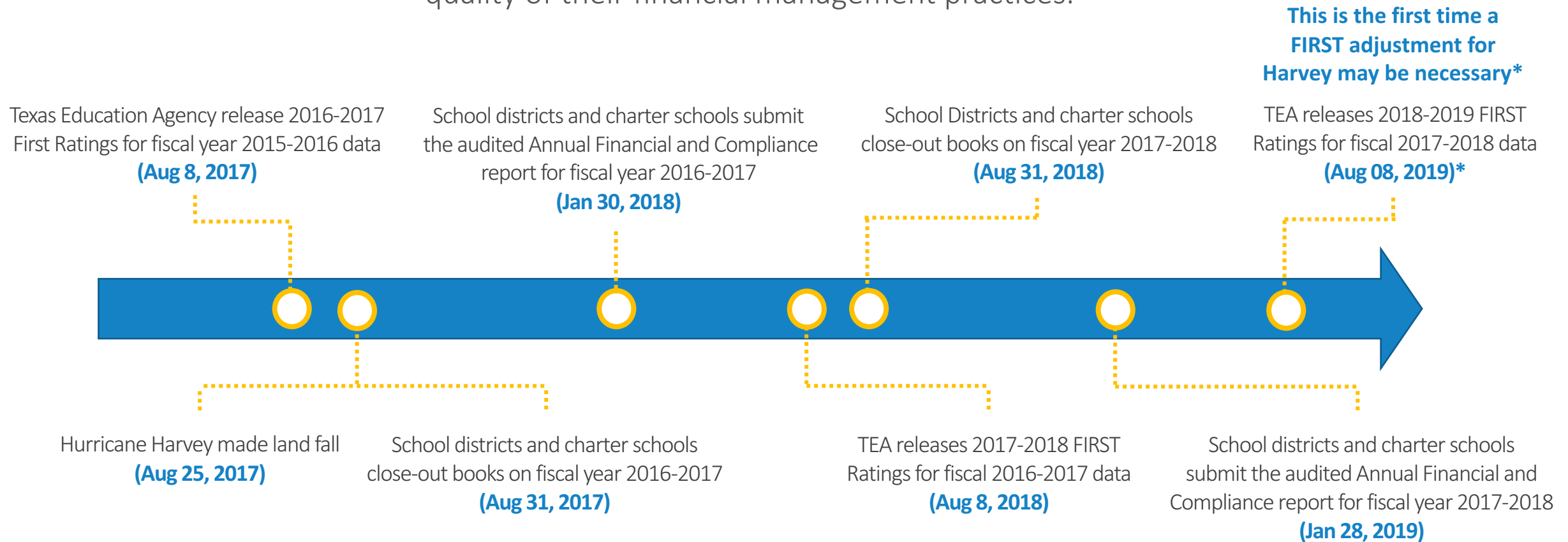
Accountability

Houston ISD (10 IR4 Campuses)	Arlington ISD (1 IR4 Campus)
San Antonio ISD (6 IR4 Campuses)	Austin ISD (1 IR4 Campus)
Dallas ISD (4 IR4 Campuses)	Buckholts ISD (1 IR4 Campus)
Waco ISD (5 IR4 Campuses)	Crystal City ISD (1 IR4 Campus)
Beaumont ISD (3 IR4 Campuses)	Hart ISD (1 IR4 Campus)
Fort Worth ISD (3 IR4 Campuses)	Luling ISD (1 IR4 Campus)
Ector County ISD (3 IR4 Campuses)	Marshall ISD (1 IR4 Campus)
Big Spring ISD (2 IR4 Campuses)	Reagan County ISD (1 IR4 Campus)
Hearne ISD (2 IR4 Campuses)	Runge ISD (1 IR4 Campus)
Lubbock ISD (2 IR4 Campuses)	Sierra Blanca ISD (1 IR4 Campus)
Midland ISD (2 IR4 Campuses)	Tyler ISD (1 IR4 Campus)
Nacogdoches ISD (2 IR4 Campuses)	Winfield ISD (1 IR4 Campus)
Victoria ISD (2 IR4 Campuses)	

Harvey's Impact on Accountability

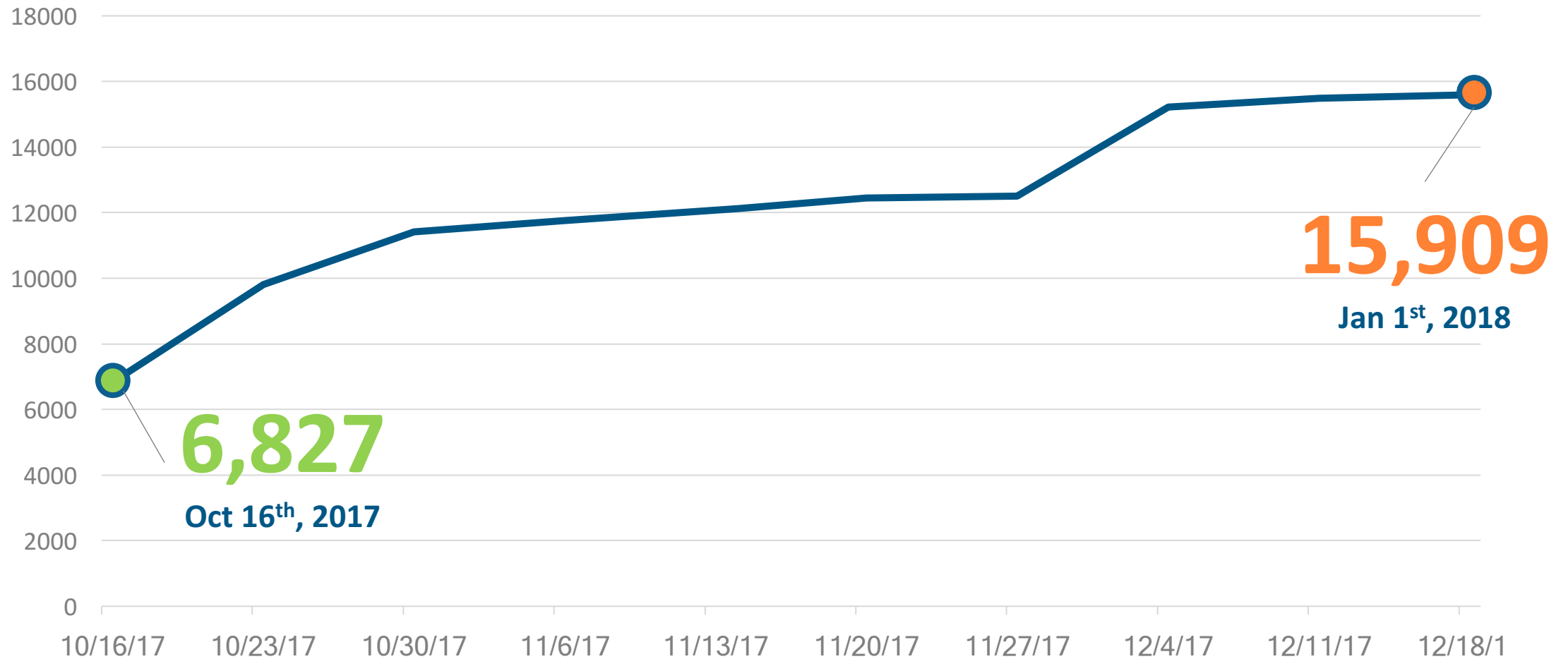
School Financial Integrity Rating System of Texas (FIRST)

FIRST ensures that Texas public schools are held accountable for the quality of their financial management practices.



School Finance Implications

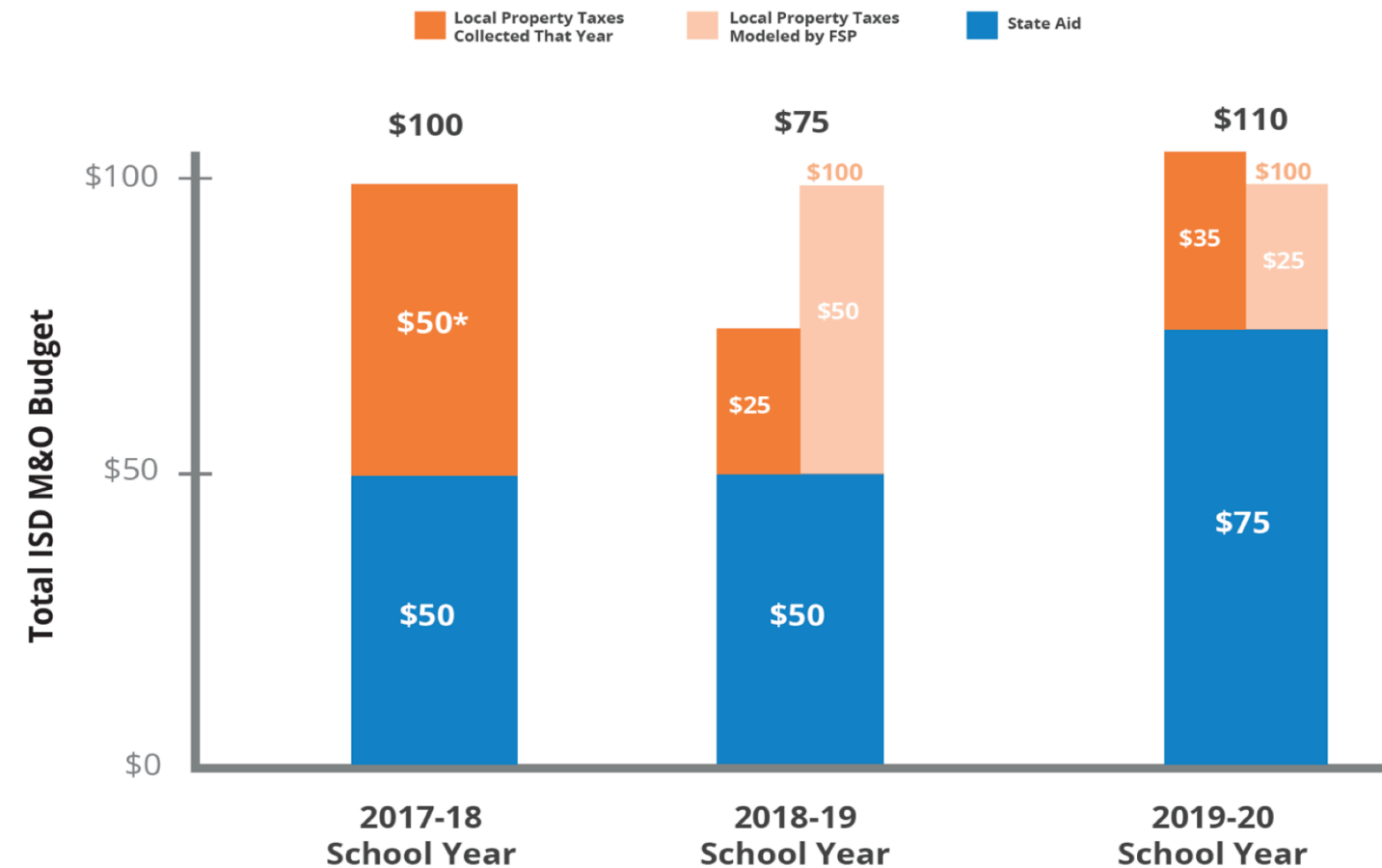
Students Who Changed Districts Due To Harvey (ADA Hold Harmless)



Initial financial estimates were based on enrollment losses representing an ADA of over 46,000 for an entire year.

How Property Value Declines Could Impact School Finance

The following graph is based upon a district with a baseline M&O budget of \$100.



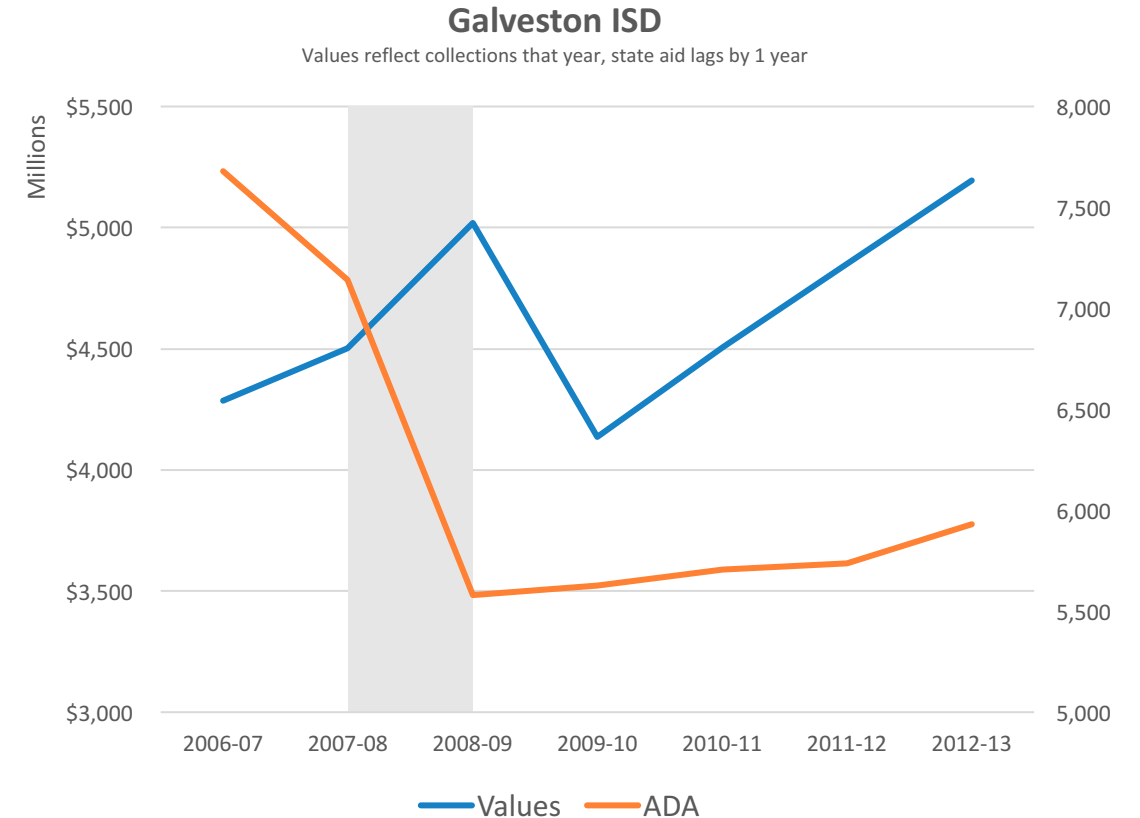
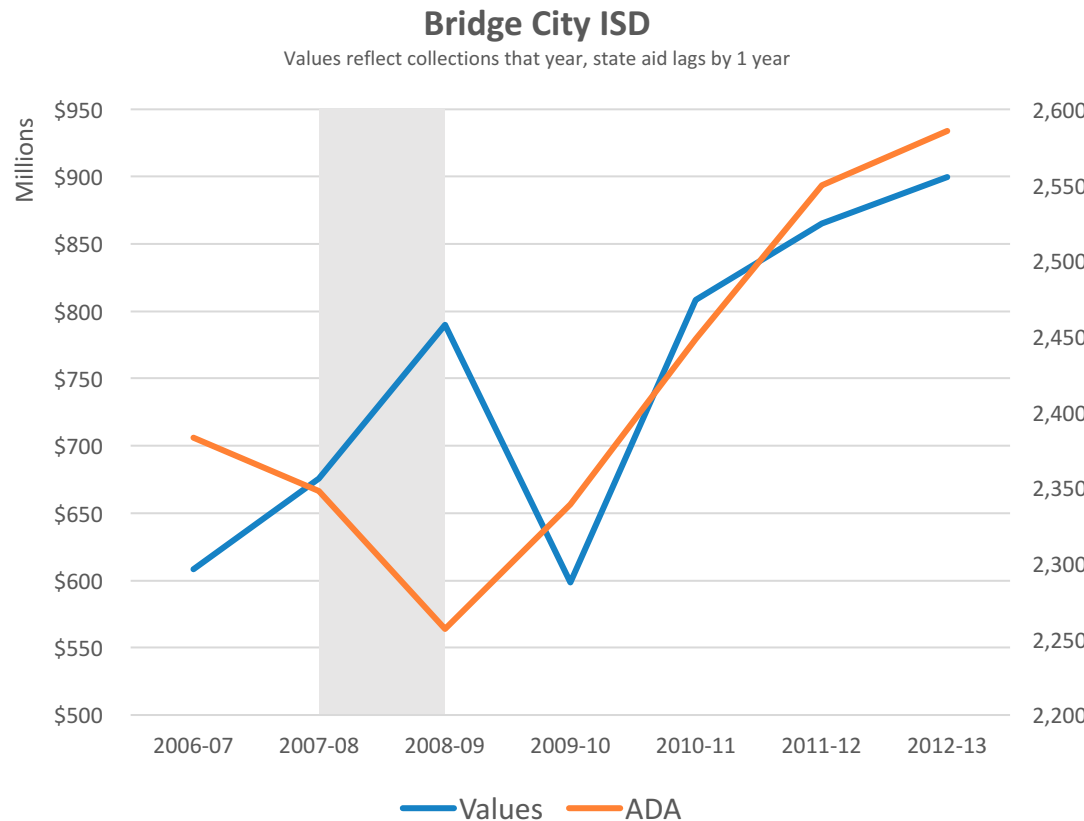
2017-2018: In this example, the district's total M&O budget before the storm was \$100, of which half was supplied by local property taxes and half by state aid.

2018-2019: The example assumes significant declines in property values, so that total collections are only \$25. This reduced value doesn't affect this year's state share since state share is based upon the values for the prior year. As a result, the district will see a reduction in its total budget.

2019-2020: The significant decline in property values from the prior year are finally recognized with corresponding increases in state share during this year. Property values should begin swinging back up as well as storm recovery is in full swing. The result will be a positive side-effect of the lag in FSP formulas, with the district's overall budget up to \$110.

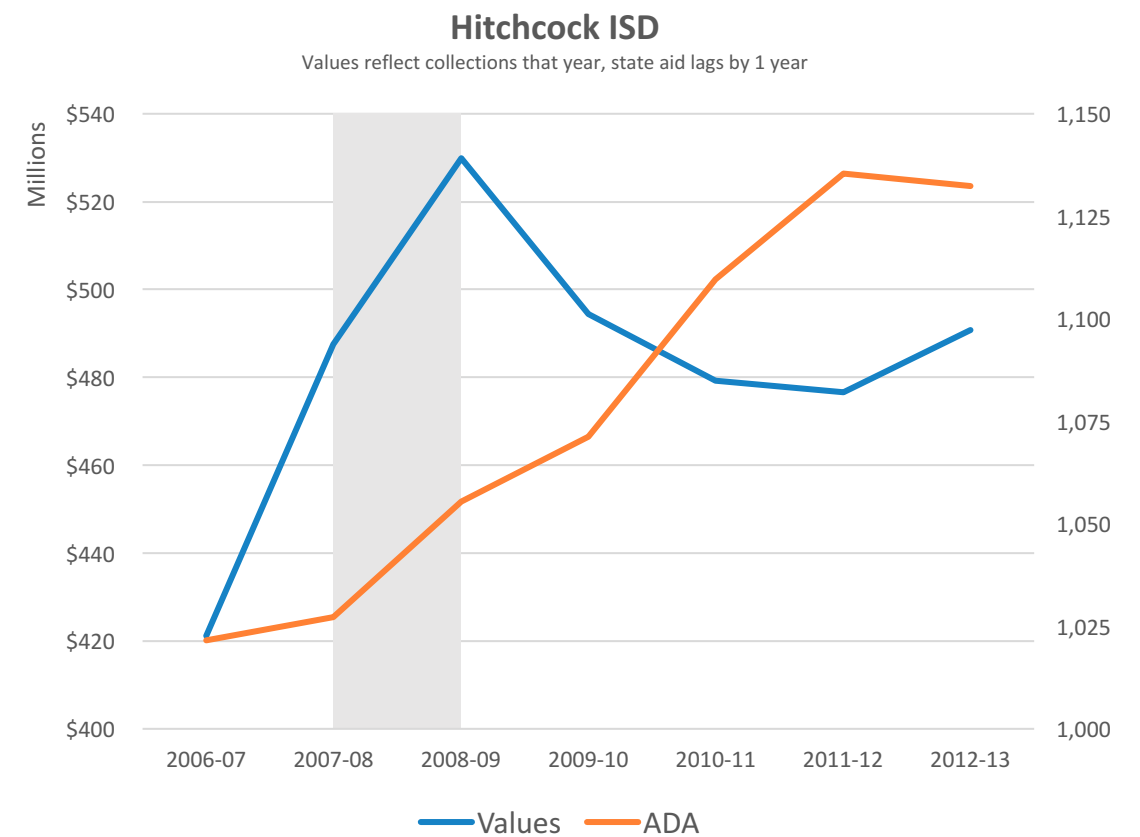
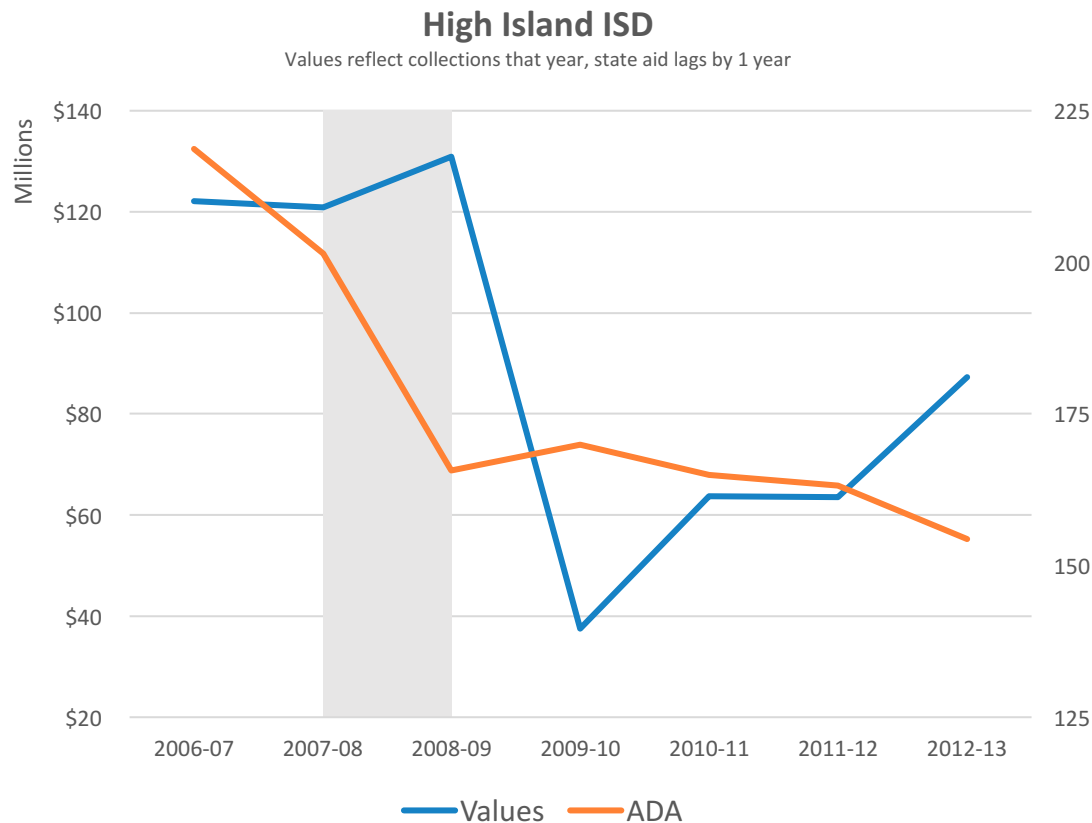
Looking Back - Hurricane Ike

Changes Over Time in Property Values and ADA from School Districts Impacted by Hurricane Ike



Looking Back - Hurricane Ike

Changes Over Time in Property Values and ADA from School Districts Impacted by Hurricane Ike



Property Value Decline Impact on M&O and I&S

Fiscal Year & Academic Year	FY2018 2017-2018	FY2019 2018-2019	FY2020 2019-2020
Reduction in ISD Property Tax Collections:			
M&O Collections	\$ 71	\$385 – \$1,520	\$411 - \$1,626
I&S Collections	\$ 18	\$85 – \$341	NA
Total Property Tax Collection Reductions+	\$ 89	\$470 – \$1,861	\$411 - \$1,626
Increases in State Costs:			
FSP State Aid Increases (Decreases)	(\$ 5)	(\$31) – (\$123)	\$241 - \$978
Ch 41 Recapture Revenue Decreases	\$ 5	\$39 – \$140	\$159 - \$561
Total State Costs	\$ 0	\$8 – \$17	\$400 - \$1,539
Total ISD Budget Reductions	\$ 89	\$462 - \$1,844	\$11 - \$87

Ranges = **Mid-ranges estimates (most likely)** – Worse Case Scenario.

Numbers In Millions

Additional Resources For Districts

E-Rate Flexibility For Harvey Impacted Districts

TEA requested from the FCC E-Rate flexibility to help repair and restore fiber optic infrastructure in affected districts. FCC approved the following:

- A separate E-rate filing window for the directly impacted LEAs.
- This filing window applies to Category 1 (90% discount rate) & Category 2 (85% discount rate)
- Reset 5-year funding budget for Category 2



12 Districts and Charters took advantage of the window, representing \$1.7 million in projects. 3 additional applicants are awaiting certification, representing another \$0.2 million in projects.

*Unaffected: \$25M E-Rate State Matching funds (85th Legislature) is for new fiber projects only, and is available for the FY18 cycle

Community Development Block Grants

Community Development Block Grants – Disaster Recovery (CDBG-DR) funds can be used for the most impacted and distressed areas for:



Disaster Relief



Long Term Recovery



**Restoration of
Infrastructure**



Housing



**Economic
Revitalization**

CDBG funds are coordinated and prioritized through local Council of Governments (COGs). TEA has encouraged impacted districts to begin talking with their local COG to make them aware of any damage or needs.

SERV and ESSA Rollover



The U.S. Department of Education awarded TEA a **\$2.0 million** Project School Emergency Response to Violence (SERV) grant for the purposes of supporting districts impacted by Hurricane Harvey.



The Agency allocated **\$6.4 million** of unused federal funds from prior years from the Every Student Succeeds Act (ESSA), formerly No Child Left Behind (NCLB), to districts impacted by Hurricane Harvey.

Coordination To Maximize FEMA Dollars



Policy Coordination

- Transportation
- Shelters
- Service Center Costs



Procurement Coordination

- Additional service center staff
- Rebuild Texas staff

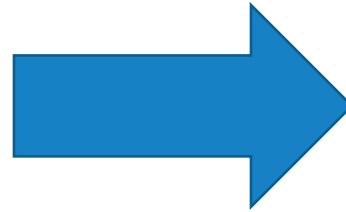
PreKindergarten Partnership

In the wake of the devastation of Hurricane Harvey, parents in affected counties face significant challenges finding child care options for their children.



352 Child Care Centers

Have reported damage, permanent closure, or voluntary temporary suspension of their licenses.



39,800 School Children

Are estimated to have been impacted across 27 counties and 68 school districts.

In December, TEA reached out to districts in Harvey-affected areas that include damaged child care centers to offer assistance in establishing these public private partnerships. **Strategic partnerships between local education agencies (LEAs) and child care centers have the potential to create more spaces for children and options for parents.**

Instructional Materials Donations



Instructional Materials

Districts use Instructional Materials Allotment (IMA) funds to purchase replacement instructional materials, with insurance and FEMA providing reimbursement. TEA has also set up a process to allow impacted districts to post instructional materials needs that were not immediate so that other schools from around the country can help.

Requested

**Number of Districts
Requesting Lists: 18**

**Total Amount of Requested
Items: \$1,557,526**

Fulfilled

**Number of Districts
Partially/Comp Fulfilled: 16**

**Total Amount of Items
Fulfilled: \$739,467**

On November 21, 2017, TEA sent a follow-up survey to determine any remaining outstanding needs for replacement instructional materials. TEA and Regional Education Service Center staff have followed up individually with six districts who still expressed some need.

Statutory Issues

Impact of Current Statutory Authorizations and Limitations



1. Operations (Maintenance & Operations)

- ADA hold harmless adjustments
- Property value adjustments
- Funds available vs. appropriations vs. excess FSP
- Cash flow



3. Disaster Remediation

- Chapter 41s abate recapture
- Chapter 42s require available funds
- Instructional facilities limitation



2. Debt (Interest & Sinking)

- Possible tax increases
- Funds available vs. appropriations



4. Other Statutory Issues

- Open meeting constraints
- Certification deadlines (SBEC)
- Transportation & busing

See Items #3-6 – Property Value Decline Impact on M&O and I&S in 2017-18 and 2018-19

Hurricane Harvey will cause a decline in property values for a number of districts in Texas. This will reduce both M&O and I&S collections in those districts, once properties are appraised again after the storm. These appraisals will happen starting in January 2018 for all districts, as part of the normal, annual cycle of appraisals. This can be accelerated if a district orders reappraisal, applying to the last four months of 2017. Given the school finance system, a reduction in local property values entitles districts to additional state aid to make up for the decline (solely for M&O), but this increased state aid always lags one year, so the districts will experience a significant one-time hole in their budgets the year the decline occurs. For I&S collections, all but the most property poor districts are entirely dependent on local property taxes.

The agency modeled a Mid-Range Estimate (MRE) and Worst-Case Scenario (WCS) based on property tax decline data from districts affected by Hurricane Ike, applied to 130 districts most impacted by Hurricane Harvey. The following chart shows the impact.

Fiscal Year & Academic Year	FY2018 2017-2018	FY2019 2018-2019	FY2020 2019-2020
Reduction in ISD Property Tax Collections:			
M&O Collections	\$ 71	\$385 – \$1,520	\$411 - \$1,626
I&S Collections	\$ 18	\$85 – \$341	NA*
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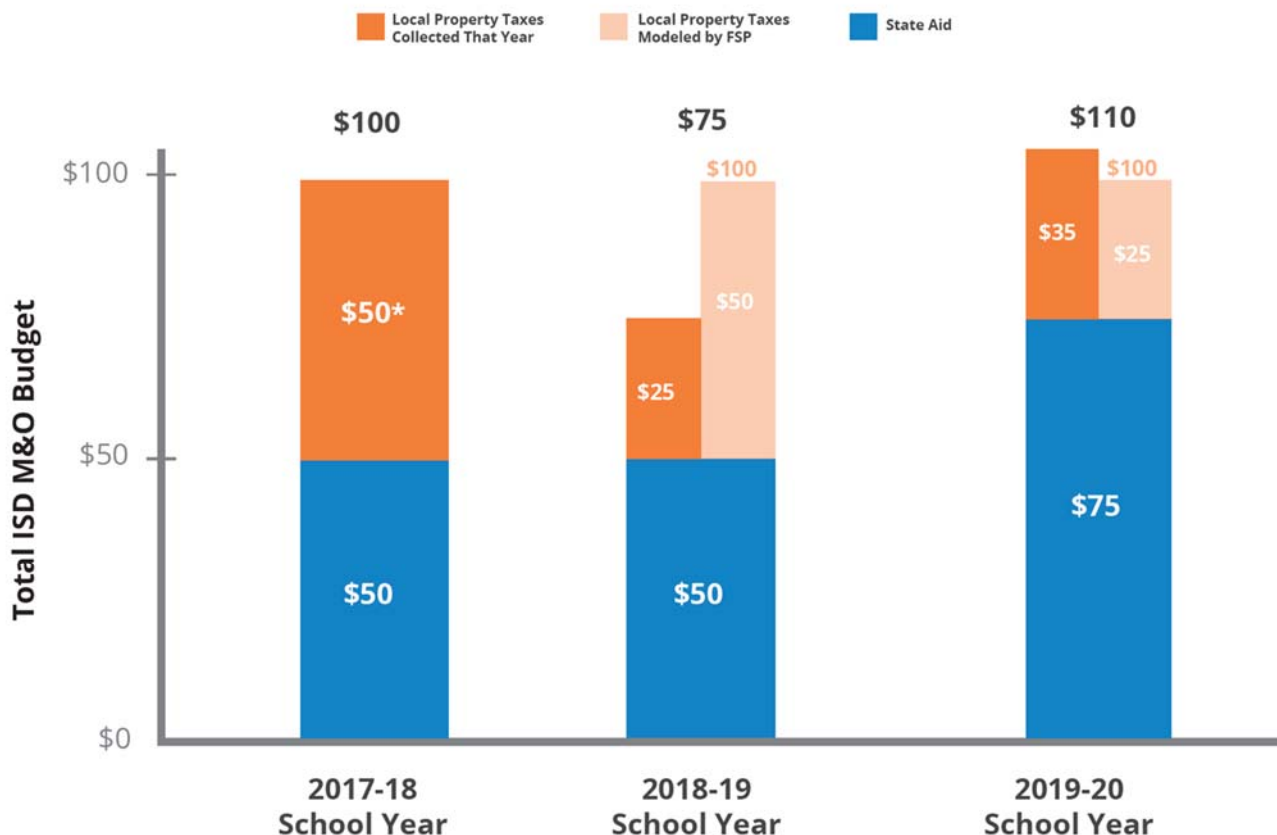
In Millions. Ranges are MRE – WCS.

NA* – By FY2020, we assume districts will have adjusted I&S tax rates, so there would be no reduction in tax collections to support debt payments going forward. This will occur for many in FY2019.

+ - This model assumes a 1% decline in collections for taxes paid by Jan 2018. This isn't property tax relief, as tax bills don't decline, but rather taxpayers who are unable to pay their property tax bill and go delinquent because of the storm.

An Illustration

The following graph provides an illustration of this effect, based upon a district with a baseline M&O budget of \$100.



2017-2018: In this example, the district's total M&O budget before the storm was \$100, of which half was supplied by local property taxes and half by state aid. Absent reappraisals ordered by the ISD, there isn't any decline in values from the storm. (In reality, there will be a slight decline in collections given the likelihood of taxpayer delinquency, signified by the asterisk). The state aid portion of their budget is based on 2016-2017 values, which in this case are assumed to be the same as 2017-2018.

2018-2019: Property will be re-valued this year because property's market value is determined every year. The example assumes significant declines in values, so that total collections are only \$25. But this reduced current year value doesn't affect this year's state share. Instead, state share is based upon the values for the prior year. As a result, the district will see a noticeable reduction in its total budget.

2019-2020: The significant decline in property values from the prior year are finally recognized with corresponding increases in state share during this year. Plus, property values will begin swinging back up at this point, as storm recovery is in full swing. The result will be a positive side-effect of the lag in FSP formulas, with the district's overall budget up to \$110.

Hurricane Harvey School Finance Issues

November 1, 2017

	A Issue/Response	B Current Action/Next Steps	C FY 2018 Estimated Costs**	D FY 2019 Estimated Costs**	E Biennial Total Est. Cost**	F Legal Authority
	Enrollment Related Adjustments					
1	<p>Increased enrollment due to student displacement in the 2017–2018 school year.</p> <p>Is this currently a legally required cost to the state? Yes.</p> <p>Issue: Many districts have newly enrolled students displaced from their home districts because of Hurricane Harvey. TEA does not normally increase Foundation School Program (FSP formula) funding to districts during the school year when there are increases in student enrollment. Instead, FSP formula increases due to enrollment changes are made during the FSP settle-up process occurring in September of 2018 (FY 2019) following the school year.</p> <p>Solution: Districts can receive an increase in their state aid <i>during</i> the 2017–2018 school year if they have increased average daily attendance (ADA) and apply to TEA. To date, six districts have applied for adjustments, with a total of 1,039 ADA. These districts include Calallen ISD, College Station ISD, Cuero ISD, Gregory Portland ISD, Splendora ISD, and Victoria ISD.</p>	<p>TEA issued guidance to school districts. Beginning with the October 2017 FSP formula payment, TEA will increase the amount of state aid to districts that have (1) additional ADA and (2) apply to TEA.</p>	<p>\$380 million</p> <p>Costs will be shifted from FY 2019 to FY 2018. This shifting is cost neutral for the biennium because the state is legally obligated to fund the FSP formulas for students at the districts they actually attend. TEA is just shifting the costs from FY 2019 (September 2018 settle-up) to FY 2018.</p>	<p>(-\$380 million) cost reduction</p> <p>These existing costs will be shifted from FY 2019 to FY 2018.</p> <p>Note: There may be additional costs to the state for increased students in FY 2019.</p>	<p>\$0</p>	<p>TEC §42.005(d). Average Daily Attendance.</p>
2	<p>Loss of funding due to student enrollment decline during the 2017–2018 school year.</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: School districts and charter schools with enrollment losses during the 2017–2018 school year will have lower average daily attendance. ADA is a major component in determining FSP formula funds as Texas provides funding on a per ADA basis. As a result, a loss of ADA in the 2017–2018 school year would normally result in the following:</p>	<p>Consistent with current practice, TEA will continue to make full FSP formula payments to all school districts (and requesting charter schools), regardless of a student enrollment decline. This prevents any immediate loss of state funding during the 2017–2018 school year.</p> <p>On Oct. 9, 2018, TEA issued a <i>To the Administrator Addressed Letter</i> providing an ADA hold</p>	<p>\$0</p>	<p>\$400 million (based on a mid-range best estimate, composed of:</p> <p>\$150 million forgone recapture collections to State Treasury (this is not state aid payment or currently anticipated in state budget).</p> <p>\$250 million state aid to school districts during</p>	<p>\$400 million</p>	<p>TEC §42.005(d). Average Daily Attendance.</p>

**Amounts are estimates based on TEA's current knowledge and are subject to significant change. Some costs may be eligible for Federal Emergency Management Agency (FEMA) reimbursements. For FY 2019, TEA will request a supplemental appropriation during the 86th Texas Legislature for the difference between the amount necessary to fully fund the formulas in FY 2019 and the amount appropriated in the General Appropriations Act.

A	B	C	D	E	F
Issue/Response	Current Action/Next Steps	FY 2018 Estimated Costs**	FY 2019 Estimated Costs**	Biennial Total Est. Cost**	Legal Authority
<div>1. For Chapter 42 districts, a loss of FSP funds in September 2018 (FY 2019) during FSP settle-up.</div> <div>2. For Chapter 41 districts, an increase in recapture. The timing of recapture payments depends on when ADA data is received by TEA.</div> <div>In anticipation of this loss of FSP funding during settle-up, school districts might reduce costs through personnel reductions during the 2017–2018 school year.</div> <div>Solution: TEA will hold school districts and charter schools meeting certain qualifications <i>harmless</i> for their loss of ADA. This will encourage districts to avoid reducing school personnel throughout the 2017–2018 school year.</div> <div>The commissioner will hold affected districts and charter schools harmless to a projected ADA number calculated using a three-year average trend from the 2014–2015 through 2016–2017 school years, unless this projection is both 15 percent higher and 100 ADA higher than the 2017–2018 legislative projections. In the latter case, 2017–2018 legislative projections will be used. This is a one-time adjustment for the 2017–2018 school year.</div>	<div>harmless for 157 initially identified school districts and charter schools that (1) had damage to at least one facility, or (2) had instructional facilities that were closed for 9 or 10 hurricane-related waiver days. The school district or charter school must complete the Governor’s Commission to Rebuild Texas Worksheet.</div> <div>TEA will continue to monitor to ensure qualifying districts are held harmless for ADA losses.</div>		<div>September 2018 (FY 2019) FSP settle-up.</div> <div>TEA would have to request a supplemental appropriation for the state aid portion during the 86th Texas Legislature.</div>		

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	A Issue/Response	B Current Action/Next Steps	C FY 2018 Estimated Costs**	D FY 2019 Estimated Costs**	E Biennial Total Est. Cost**	F Legal Authority
	2017–2018 School Year Tax Issues					
3	<p>Loss of maintenance and operations (M&O) property tax revenue during the 2017–2018 school year.</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: M&O local property tax revenue helps school districts pay for their maintenance and operations. School districts may experience losses in M&O local property tax revenue during the 2017–2018 school year due to (1) 2017 tax year property reappraisals, which would decrease property values/tax revenue, and (2) delayed/uncollected tax collections.</p> <p>TEA currently estimates the local M&O tax revenue could potentially decline by approximately \$71 million due to delinquencies.</p> <p>TEA is aware of five school districts that have voted to reappraise their 2017 taxable property values; they are Conroe ISD, Katy ISD, La Porte ISD, Montgomery ISD, and Spring Branch ISD.</p> <p>TEA would not normally increase the 2017–2018 school year FSP formula state aid to make up for any decrease in 2017 tax year local property tax collections.</p> <p>TEA proposal: Collect information from school districts about 2017 tax year collection losses and potentially borrow money from FY 2019 to provide state aid to school districts during the 2017–2018 school year to make up for lost local property tax revenue.</p> <p>Note: Charter schools do not levy taxes.</p>	<p>TEA issued guidance to school districts.</p> <p>TEA will collect data from districts to develop a projection of lost property tax revenue during the 2017–2018 school year and reappraisal efforts. TEA would then provide analysis to the legislature in February 2018.</p> <p>Thereafter, TEA could provide additional state aid to replace lost local property tax revenue. This action would potentially require TEA to borrow funds from FY 2019 and bring them to FY 2018.</p>	<p>State cost: \$0</p> <p>TEA will provide an analysis by February of 2018.</p> <p>TEA could potentially borrow money from FY 2019 to provide state aid to school districts during the 2017–2018 school year for the loss of local property tax revenue. If done, TEA would request a supplemental appropriation during the 86th legislative session.</p> <p>School district local tax revenue loss: TEA currently estimates the local M&O tax revenue could potentially decline by approximately \$71 million.</p>	<p>N/A. This is covered in the 2018–2019 school year tax issues (below).</p>	<p>\$0</p> <p>The legislature could consider options to help mitigate the anticipated tax increase.</p>	<p>TEC §42.2523. Adjustment for Property Value Affected by State of Disaster.</p>
4	<p>Loss of interest and sinking (I&S) property tax revenue during the 2017–2018 school year.</p> <p>Is this currently a legally required cost to the state? No. However, if a district defaults on a bond payment that is guaranteed by the Texas Permanent School Fund (TPSF), the TPSF must make the payment. The school district is then required to repay the TPSF.</p>	<p>TEA is unaware of any district that is in jeopardy of not making its I&S payments.</p> <p>To mitigate any loss in I&S tax revenue, school districts can (1) use their available fund balance or other available revenue such</p>	<p>State costs: \$0</p> <p>TEA is unaware of any district that is in jeopardy of not making its I&S payments.</p> <p>If a school district has insufficient I&S tax revenue to pay its bonds, TPSF will</p>	<p>N/A. This is covered in the 2018–2019 school year tax issues (below).</p>	<p>\$0</p>	<p>TEC §45.003 Bonds and Tax Elections.</p> <p>TEC §45.052 Guaranteed Bonds.</p>

**Amounts are estimates based on TEA's current knowledge and are subject to significant change. Some costs may be eligible for Federal Emergency Management Agency (FEMA) reimbursements.

For FY 2019, TEA will request a supplemental appropriation during the 86th Texas Legislature for the difference between the amount necessary to fully fund the formulas in FY 2019 and the amount appropriated in the General Appropriations Act.

A	B	C	D	E	F
Issue/Response	Current Action/Next Steps	FY 2018 Estimated Costs**	FY 2019 Estimated Costs**	Biennial Total Est. Cost**	Legal Authority
<p>Issue: The local I&S property tax revenue provides funds for the payment of the debt that districts issue to finance facilities and other capital expenditures. During the 2017–2018 school year, there are 130 school districts that were estimated to collect \$1.9 billion in I&S local property tax revenue.</p> <p>School districts may experience losses in local property tax revenue during the 2017–2018 school year due to (1) 2017 tax year property reappraisals, which would decrease property values/tax revenue, and (2) delayed/uncollected tax collections.</p> <p>TEA currently estimates the local I&S tax revenue could potentially decline by approximately \$18 million due to delinquencies.</p> <p>TEA is aware of five school districts that have voted to reappraise their 2017 taxable property values; they are Conroe ISD, Katy ISD, La Porte ISD, Montgomery ISD, and Spring Branch ISD.</p> <p>TEA would not normally increase the 2017–2018 school year FSP formula state aid to make up for any decrease in 2017 tax year local property tax collections.</p> <p>To mitigate this loss in revenue, school districts can (1) use their available fund balance or other available revenue, such as M&O, and/or (2) seek refinancing options.</p> <p>TEA is unaware of any district that is in jeopardy of not making its I&S payments.</p> <p>Note: Charter schools do not levy taxes.</p>	<p>as M&O revenue, and/or (2) seek refinancing options.</p>	<p>make the payment. The school district is then required to repay the TPSF.</p> <p>School district local property tax revenue loss: TEA currently estimates the local I&S tax revenue could potentially decline by approximately \$18 million due to delinquencies.</p>			

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A		B	C	D	E	F
Issue/Response		Current Action/Next Steps	FY 2018 Estimated Costs**	FY 2019 Estimated Costs**	Biennial Total Est. Cost**	Legal Authority
2018–2019 School Year Tax Issues						
5	<p>Loss of maintenance and operations (M&O) property tax revenue) during the 2018–2019 school year.</p> <p>Is this currently a legally required cost to the state?</p> <p>1. Reappraised property: Yes. If 2017 tax year property is reappraised, TEA is required by the FSP formulas to provide FSP formula state aid to make up for local property tax revenue losses in the 2018–2019 school year.</p> <p>2. Un-reappraised property: No. If 2017 tax year property is not reappraised, then there is no state obligation to make up for declines in local property tax revenue during the 2018–2019 school year. However, the state could consider additional funding for local property value loss in a supplemental appropriation.</p> <p>Issue:</p> <p>Reappraised property: Beginning with the 2018–2019 school year, the state is legally obligated to “make-up” state aid (state share) for any reported loss of local property tax revenue on reappraised 2017 tax year property.</p> <p>TEA is aware of five school districts that have voted to reappraise their 2017 taxable property values; they are Conroe ISD, Katy ISD, La Porte ISD, Montgomery ISD, and Spring Branch ISD.</p> <p>Others are considering this option.</p> <p>Un-reappraised property: There is no current state obligation to make up for lost property tax revenue during the 2018–2019 school year. The legislature could provide additional funding to mitigate property tax revenue loss in a supplemental appropriation.</p> <p>TEA anticipates that school districts will lose \$385 million (a mid-range estimate) in previously anticipated local property tax revenue due to a decline in property values caused by the Hurricane during the 2018 tax year.</p>	<p>TEA will collect data from districts to develop a projection of lost property tax revenue during the 2017–2018 school year and reappraisal efforts. TEA would then provide analysis to the legislature in February 2018.</p>	<p>N/A. This is covered in the 2017–2018 school year tax issues (above).</p>	<p>State costs: \$8 (a mid-range estimate, which could increase depending on the number of FY 2017 reappraisals).</p> <p>Reappraised property: If 2017 tax year property is re-appraised, TEA is legally required to provide FSP formula state aid to make up for local property tax revenue losses in 2018–2019 school year.</p> <p>TEA is aware of five school districts that have voted to reappraise their 2017 taxable property values: they are Conroe ISD, Katy ISD, La Porte ISD, Montgomery ISD, and Spring Branch ISD. Others are considering this option.</p> <p>Un-reappraised property: There is no current state obligation. The legislature could provide additional funding to mitigate property tax revenue loss in a supplemental appropriation.</p> <p>School district local property tax revenue loss: TEA anticipates that school districts will lose \$385 million (a mid-range estimate) in previously anticipated local property tax revenue due to a decline in property values</p>	<p>\$8 million</p> <p>Potential state cost for intervention: up to \$385 million (a mid-range estimate).</p>	<p>TEC §42.2523. Adjustment for Property Value Affected by State of Disaster.</p>

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A Issue/Response		B Current Action/Next Steps	C FY 2018 Estimated Costs**	D FY 2019 Estimated Costs**	E Biennial Total Est. Cost**	F Legal Authority
6				caused by the hurricane during the 2018 tax year.		
	<p>Local tax increases to interest & sinking (I&S) to cover debt service during the 2018–2019 school year.</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: The I&S tax revenue provides funds for payment of the debt that districts issue to finance facilities and other capital expenditures. School districts may experience losses in I&S local property tax revenue during the 2018–2019 school year due to (1) 2017 tax year property reappraisals, which would decrease property values/tax revenue, and (2) delayed/uncollected tax collections.</p> <p>TEA currently estimates the local I&S tax revenue could potentially decline by approximately \$85 million (a mid-range estimate).</p> <p>Many school districts may be required to raise local I&S taxes during the 2018–2019 school year to cover any loss of local property tax revenue caused by reappraisals. Taxes can be increased without a role back election in the year after a disaster.</p> <p>Depending on the type of bond, some school districts may not be able to raise I&S taxes and will have to (1) use their available fund balance or other available revenue such as M&O, and/or (2) seek refinancing options.</p> <p>Note: Charter schools do not levy taxes.</p>	<p>School districts may have to increase their I&S tax rates in the 2018–2019 school year to ensure they have adequate funds to make bond payments.</p> <p>Depending on the type of bond, some school districts may not be able to raise I&S taxes and will have to (1) use their available fund balance or other available revenue such as M&O, and/or (2) seek refinancing options.</p> <p>TEA will collect data from districts to develop a projection of lost property tax revenue during the 2017–2018 school year and reappraisal efforts. TEA would then provide analysis to the legislature in February of 2018.</p>	<p>N/A. This is covered in the 2017–2018 school year tax issues (above)</p>	<p>\$0</p> <p>The legislature could consider options to help mitigate the anticipated tax increase. However, most I&S tax rates are required to be adopted in the summer of 2018.</p>	<p>\$0</p> <p>The legislature could consider options to help mitigate the tax increase. However, I&S rates are adopted in the summer of 2018.</p>	<p>TEC §45.003 Bonds and Tax Elections.</p> <p>TEC §45.052 Guaranteed Bonds.</p> <p>TAX §26.08a Election to Ratify School Taxes</p>

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A		B	C	D	E	F
Issue/Response		Current Action/Next Steps	FY 2018 Estimated Costs**	FY 2019 Estimated Costs**	Biennial Total Est. Cost**	Legal Authority
7	<p>Impact to state facilities funding costs.</p> <p>Is this currently a legally required cost to the state? Yes</p> <p>Issue: Approximately, 39 of the 130 impacted school districts receive approximately \$47 million in state FSP aid for the Instructional Facilities Allotment (IFA) or Existing Debt Allotment (EDA). These programs help districts pay for the debt they incur for facilities and other capital expenditures.</p> <p>School districts with enrollment losses during the 2017–2018 school year will have lower average daily attendance. As ADA is a major component in determining EDA and IFA FSP formula state aid, the decrease in ADA would normally result in a decrease in EDA and IFA during the 2017–2018 school year settle-up occurring in September 2018 (FY 2019).</p> <p>Solution: 2017–2018 school year. TEA will hold school districts meeting certain qualifications <i>harmless</i> for their loss of ADA. This is anticipated to largely stabilize their IFA and EDA state aid amounts. See row 2 above. This is a one-time adjustment for the 2017–2018 school year.</p> <p>2018–2019 school year. EDA and IFA changes in state aid will depend on whether the school district reappraises its property (see 6 above) and ADA.</p> <p>Note: Charter schools are not eligible for IFA or EDA funding.</p>	<p>Consistent with current practice, TEA will continue to make full FSP formula payments to all school districts (and requesting charter schools), regardless of a student enrollment decline. This prevents any immediate loss of state funding during the 2017–2018 school year.</p> <p>2017–2018 school year. TEA will hold school districts meeting certain qualifications <i>harmless</i> for their loss of ADA. This is anticipated to largely stabilize their IFA and EDA state aid amounts. See row 2 above. This is a one-time adjustment for the 2017–2018 school year.</p>	<p>\$0</p> <p>Cost is included in \$400 million ADA hold harmless in row 2 (above).</p> <p>TEA will hold school districts meeting certain qualifications <i>harmless</i> for their loss of ADA. This is anticipated to largely stabilize their IFA and EDA amounts. See row 2 (above). This is a one-time adjustment for the 2017–2018 school year.</p>	<p>Less than \$10 million (a mid-range estimate)</p>	<p>Less than \$10 million (a mid-range estimate)</p>	<p>TEC §46.003 IFA TEC §46.032 EDA</p>

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	A Issue/Response	B Current Action/Next Steps	C FY 2018 Estimated Costs**	D FY 2019 Estimated Costs**	E Biennial Total Est. Cost**	F Legal Authority
	Facilities Issues					
8	<p>Facilities damage at Chapter 41 districts.</p> <p>Is this currently a legally required cost to the state? Yes, in forgone recapture funding to the State Treasury.</p> <p>Issue: Chapter 41 school districts have significant property damage. These districts can already apply for a reduction/elimination in their recapture costs for the 2017–2018 and 2018–2019 school years for any facility damage costs <i>not</i> covered by insurance or FEMA. Importantly, however, districts cannot recover <i>more than their recapture payments</i> (see row 9 below).</p> <p>Solution: Chapter 41 districts with eligible remediation costs can offset recapture payments by applying to TEA in the 2017–2018 and 2018–2019 school years.</p>	<p>Chapter 41 districts can apply to TEA for disaster aid assistance to reduce their recapture payments for the 2017–2018 and 2018–2019 school years.</p> <p>The application is available on the TEA website.</p>	<p>TBD</p> <p>\$474 million is the maximum cost</p> <p>Loss of budgeted recapture to State Treasury.</p> <p>Note: Based on preliminary information, TEA has learned that FEMA may cover up to 90 percent of uninsured loss, leaving districts with at least a 10 percent uninsured and uncovered loss.</p>	<p>TBD</p> <p>\$500 million is the maximum cost</p> <p>Loss of budgeted recapture to State Treasury.</p> <p>Note: Based on preliminary information, TEA has learned that FEMA may cover up to 90 percent of uninsured loss, leaving districts with at least a 10 percent uninsured and uncovered loss.</p>	TBD	TEC §41.0931 Disaster Remediation Costs.
9	<p>Facilities damage related to Chapter 42 districts and Chapter 41 districts beyond recapture.</p> <p>Is this a legally required cost to the state? No.</p> <p>Issue: The Texas Education Code provides that (1) Chapter 42 districts can receive facilities assistance, and (2) Chapter 41 districts can receive facilities assistance beyond their recapture payment amounts (see row 8 above), only if there is an FSP surplus in the fiscal year. Even if there is an FSP surplus, TEA must first use the surplus to finance special education camera needs.</p> <p>Note: Based on preliminary information, TEA has learned that FEMA may cover up to 90 percent of uninsured loss, leaving districts with at least a 10 percent uninsured and uncovered loss.</p> <p>TEA proposal: The only <i>potential</i> legal mechanism for TEA to assist districts is to borrow money from FY 2019 and declare an FSP surplus in FY 2018. This has never been done before. Further, the surplus would first be used for special education camera needs.</p>	TEA is encouraging districts to work with their insurance providers and FEMA to determine unreimbursed damage amounts.	<p>TBD</p> <p>\$0 unless TEA borrows money from FY 2019 to create an FSP surplus in FY 2018. This has never been done before. If done, TEA would request a supplemental appropriation in the 86th Texas Legislature.</p>	<p>TBD</p> <p>\$0 unless there is an FSP formula surplus in FY 2019.</p> <p>The legislature could provide additional funding as part of a supplemental appropriation bill during the 86th Texas Legislature.</p>	TBD	TEC §42.2524 Reimbursement for Disaster Remediation Costs.

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A		B	C	D	E	F
Issue/Response		Current Action/Next Steps	FY 2018 Estimated Costs**	FY 2019 Estimated Costs**	Biennial Total Est. Cost**	Legal Authority
	Additionally, the legislature could provide additional funding as part of a supplemental appropriations during the 86th Texas Legislature.					

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	A Issue/Response	B Current Action/Next Steps	C FY 2018 Estimated Costs**	D FY 2019 Estimated Costs**	E Biennial Total Est. Cost**	F Legal Authority
	Other Funding Issues					
10	<p>Students newly eligible to generate State Compensatory Education (SCE) FSP formula funds.</p> <p>Is this currently a legally required cost to the state? Yes.</p> <p>Issue: Data from the Texas Department of Agriculture (TDA) National School Lunch Program (free/reduced price lunch) indicates that districts will have more students qualifying for the FSP formula SCE weight during the 2017–2018 and 2018–2019 school years.</p> <p>Solution: For the 2017–2018 school year, TEA estimates 162,000 additional students will qualify for the SCE weight in the school finance system. Consistent with current practice, TEA will update its SCE FSP related formulas in February of 2018. As a result, impacted districts will recognize increases to state aid for SCE identified students beginning with their March 2018 FSP payment.</p>	<p>TDA collects and provides National School Lunch Program student eligibility data to TEA. Per customary practice, TEA is scheduled to incorporate TDA data into the FSP system for the 2017–2018 school year during February of 2018. As a result, impacted districts will recognize increases to state aid for SCE identified students beginning with their March 2018 FSP payment.</p>	<p>\$186 million</p>	<p>\$80 million</p> <p>Costs will vary depending on the number of additional students eligible for free/reduced lunch.</p>	<p>\$266 million</p>	<p>TEC §42.152. Compensatory Education Allotment.</p>
11	<p>Students newly eligible for pre-K.</p> <p>Is this currently a legally required cost to the state? Yes.</p> <p>Issue: Three- and four-year-old children may be newly eligible for free prekindergarten if they are deemed educationally disadvantaged and/or homeless for the 2017–2018 school year and beyond.</p> <p>Solution: Districts will be provided additional prekindergarten FSP funding during the September 2018 (FY 2019) FSP settle-up process for newly qualifying students.</p>	<p>TEA will review PEIMS data provided by districts and flow funding for these students during the September 2018 (FY 2019) FSP settle-up for the 2017–2018 school year.</p>	<p>\$0</p> <p>Additional funding for these students would not flow until the September 2018 (FY 2019) FSP settle-up for the 2017–2018 school year.</p>	<p>TBD</p>	<p>TBD</p>	<p>TEC §29.153.</p>

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A		B	C	D	E	F
Issue/Response		Current Action/Next Steps	FY 2018 Estimated Costs**	FY 2019 Estimated Costs**	Biennial Total Est. Cost**	Legal Authority
12	<p>Storm recovery costs.</p> <p>Is this currently a legally required cost to the state? No.</p> <p>Issue: Affected districts may face storm recovery expenditures for transportation, additional counselors, student mental health needs, and overtime for auxiliary and maintenance staff.</p> <p>The legislature could provide additional funding as part of a supplemental appropriations during the 86th Texas Legislature.</p>	TEA is working to obtain approvals from FEMA so that some of these costs can be reimbursed. TEA is also working to identify additional federal funding sources and coordinate private resources.	<p>\$0 to state</p> <p>All additional costs are borne by school systems.</p>	<p>\$0 to state</p> <p>All additional costs are borne by school systems.</p> <p>The legislature could provide additional funding as part of a supplemental appropriations bill during the 86th Texas Legislature.</p>	\$0	
13	<p>Education service center (ESC) costs.</p> <p>Is this currently a legally required cost to the state? No, but TEA has pledged assistance.</p> <p>Issue: ESCs are incurring substantial costs to help with hurricane-related remediation.</p> <p>Solution: TEA has pledged to help the ESCs, possibly by utilizing its FSP transfer authority in Rider 25 of the 2018–2019 General Appropriations Act.</p>	TEA will continue to collect hurricane-related costs from the ESCs and report to the legislature.	\$1 million	\$1 million	\$2 million	

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ABOUT THE PROGRAM

Under the PREPS program, the state provides partial repair to survivors' homes, who are displaced because of Hurricane Harvey. This will allow them to return to their own home and shelter in place for an extended period of time until permanent repairs can be completed. This could mean no longer having to stay at shelters, hotels, or rentals.

If you decide to participate in the program, you will need to sign a Legal Right of Entry and Indemnification Form as well as an Agreement to Participate form.

WHO IS ELIGIBLE?

Single-family owner-occupied properties are eligible for basic, temporary damage repairs to prepare your home for permanent work and to make the home safe, sanitary and secure. Repair work will be performed by contractors hired by the Texas General Land Office. The PREPS program allows residents to quickly and safely shelter in their own home and come back to their communities. Only properties that are determined that they can be brought up to a safe and habitable standard will be eligible to participate in the program. A damage assessor provided by the program will examine your home to determine if it can be made safe and habitable within the funding limitations, for example: if the structural integrity of the dwelling is in good condition and excessive flood waters were not experienced, it is likely the property will be eligible. All areas of the home are observed to identify eligible scope of work items.

HOW DOES IT WORK?

The program evaluates each interested applicant's home to determine a scope of work in the home to create a safe, secure, and habitable place for the family to live while they continue their permanent home rebuilding. Construction work will include items such as gutting out and cleaning the house, treating but not remediating for mold, electrical restoration, installing a water heater, removing wet wall insulation, installing limited drywall, insulation, heat and air conditioning, and provide up to \$500 in basic cooking or refrigeration appliances. This work will be provided to eligible homeowners at no out-of-pocket cost. Assistance under the PREPS program is designed to be an emergency protective measure to support efforts to save lives and promote public health and safety. As a result, PREPS emergency protective measures do not affect a FEMA Individuals and Households Program ("IHP") applicant's eligibility for repair, replacement, or permanent or semi-permanent housing construction under the Stafford Act. However, once emergency work is completed and the residence is cleared for occupancy, the homeowner will no longer be eligible for temporary housing assistance or further Transitional Shelter Assistance (TSA) or any other FEMA sheltering assistance. This essential emergency cleanup and partial repair work will help families live in at least a portion of their home, while they continue to finish making permanent repairs to their home.



SHOULD I PARTICIPATE IN THIS PROGRAM?

Many residents are desperately ready to go home and get back into their communities. This may not be possible because their home is not safe and sanitary yet. If you are ready to leave the shelter, rental apartment or hotel room; if you are ready to go home, this program is for you and could be what you have been waiting for.

Keep in mind that this program provides partial repairs necessary to prepare your home for more permanent repairs but it does allow you to get back into your home and community so that you can begin the tasks of rebuilding.



For more information:
Email: info@prepstexasrebuilds.com
Phone: 1-888-610-1622

TEXAS GENERAL
LAND OFFICE



Partial Repair & Essential Power for Sheltering (PREPS) Examples of Temporary Repairs

EXAMPLE EXTERIOR REPAIRS

(Homeowner may not receive all listed repairs)

- Work necessary to provide a potable water supply – this may include well decontamination if it's the only source of potable water
- Securing broken windows and repair or replacement of functioning exterior and/or interior necessary doors
- Taking temporary actions to weatherproof the home and prevent water intrusion; repairs could be temporary patches to roof or siding
- Repairing damaged front stairs or porches to allow safe entrance and exit

To be eligible for PREPS, individuals and households must reside in a county that has been designated for Individual Assistance. Your damage must be to a primary residence, you must be the homeowner, and damage must be a result of Hurricane Harvey.

NOTE: You must have registered with FEMA prior to the closing date to take advantage of this program.



EXAMPLE INTERIOR REPAIRS

(Homeowner may not receive all listed repairs)

- Work necessary to provide essential electric power supply, HVAC, and hot water
- Work necessary to restore natural gas supply if required for HVAC, hot water, and/or food preparation
- Removal of disaster-related debris within the home to a curbside location to ensure safety in entering, assessing, and performing eligible work within the home
- Removing flood-damaged water-absorbing flooring material including carpet, carpet padding, vinyl and other floor covering materials
- Minor interior and/or exterior work to provide safe access to the home and ensure a safe living environment
- Drywall and insulation replacement for the purpose of safely covering any exposed electrical work or to ensure the home is properly insulated
- Ensure one useable bathroom with vanity cabinet and countertop, sink and faucet, toilet (with tank), tub or shower, drywall around bathroom for privacy
- Ensure functional kitchen facilities with minimal base cabinets, countertops, sink and faucet to include minimal cooking and refrigeration appliances necessary to shelter in place (not to exceed \$500)
- Ensure safe and adequate sleeping accommodations for all household members
- Post-jobsite cleanup of exposed floor and wall surfaces where flooring or wall coverings were removed
- Replacing/installing smoke and carbon monoxide detectors
- Items and work necessary to ensure safe shelter and accessibility for individuals with access and functional needs



Drywall on exterior facing walls



This document was prepared under an agreement with the United States Department of Homeland Security's Federal Emergency Management Agency. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of the U. S. Department of Homeland Security's Federal Emergency Management Agency.



TEXAS GENERAL LAND OFFICE

Partial Repair & Essential Power for Sheltering (PREPS)

PREPS IN 5 STEPS

STEP 1

APPLICATION: A program representative will contact FEMA-determined eligible individuals by phone to determine if you are interested in the PREPS program. If you say "yes", you will be contacted by a damage assessor to schedule an **INITIAL SITE VISIT** at your home.

STEP 2

INITIAL SITE VISIT: This is the first in-person meeting between you, the damage assessor, and a representative from one of the licensed construction contractors who have been hired to perform the construction work at your home. At this meeting, the damage assessor will provide you with an overview of the program and answer any questions that you might have. You will then be asked to sign a Right of Entry Form, allowing the damage assessor and construction contractor to enter your home. The damage assessor and contractor will then observe specific areas of your home to determine whether temporary repairs can be made to your house to make it safe and habitable within the established program funding. If it is determined that your residence qualifies, then the damage assessor and contractor will develop a scope of work and take photos. You will then be asked to sign the Agreement to Participate Form. Once **REPAIRS ARE SCHEDULED** for your residence you will be notified.

STEP 3

REPAIRS ARE SCHEDULED: You will be contacted by the construction contractor to schedule a time for workers to perform the agreed upon temporary **CONSTRUCTION** repairs to your home.

STEP 4

CONSTRUCTION: During this step, construction contractors and subcontractors will be performing repairs to your home. Different construction specialists, such as plumbers or electricians, will likely be working in your home at different times and even different days. During this period, your home is a work-in-progress. You should consider work ongoing until a **FINAL SITE VISIT** is requested by the contractor to be performed by the program to approve the completed work.

STEP 5

FINAL SITE VISIT: The final step! You will meet with the damage assessor and contractor to review the repairs to your home. The damage assessor will ensure that all the work has been completed as agreed upon and meets all standards. Photos will be taken to record the completed work as well. After this, the process is complete.



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General Land Office and Veterans' Land BoardShort-term Housing Program
Cash Flow Analysis As of December 20, 2017

	Revenue				Expenditures						Cash Balance	Temporary Liquid/Short-term Funding			
	State Funds	Federal Funds		Total Revenues	Indirect Admin -					Total Expenditures		Borrow State Funds			
		Advance *1	Reimbursement *2		FEMA Payroll	FEMA Operating	43.9%	FEMA Programs	COGS - 2% *3			2019 GR	Appropriations	Other *4	Balance
Week Ending															
8/25/2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9/1/2017				-						-	-			-	
9/8/2017				-						-	-			-	
9/15/2017				-						-	-			-	
9/22/2017				-						-	-			-	
9/29/2017				-						-	-			-	
10/6/2017				-						-	-	4,000,000		4,000,000	
10/13/2017				-				(1,890,590)		(1,890,590)	(1,890,590)			2,109,410	
10/20/2017				-				-	-	-	(1,890,590)	8,000,000		10,109,410	
10/27/2017				-				-	-	-	(1,890,590)			10,109,410	
11/3/2017				-				-	-	-	(1,890,590)		10,000,000	20,109,410	
11/10/2017				-				(27,958)	-	(27,958)	(1,918,548)			20,081,452	
11/17/2017		229,784	-	229,784	(159,683)		(70,101)	-	-	(229,784)	(1,918,548)			20,081,452	
11/24/2017		-	-	-				-	-	-	(1,918,548)			20,081,452	
12/1/2017		-	-	-				(201,621)	-	(201,621)	(2,120,169)			19,879,831	
12/8/2017		-	-	-				-	-	-	(2,120,169)			19,879,831	
12/15/2017		1,733,147	1,890,590	3,623,737	(939,311)	(381,478)	(412,358)	-	-	(1,733,147)	(229,579)			21,770,421	
12/22/2017		40,610	-	40,610		(40,610)		-	-	(40,610)	(229,579)			21,770,421	
12/29/2017		40,610	-	40,610		(40,610)		(362,400)	-	(403,010)	(591,979)			21,408,021	
1/5/2018		311,534	591,979	903,513		(40,610)		(13,546,220)	(270,924)	(13,857,754)	(13,546,220)			8,453,780	
1/12/2018		240,610	13,546,220	13,786,830		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(7,880,789)			14,119,211	
1/19/2018		2,385,763	7,880,789	10,266,552	(939,311)	(381,478)	(412,358)	(32,630,789)	(652,616)	(35,016,552)	(32,630,789)			(10,630,789)	
1/26/2018		1,218,436	32,630,789	33,849,225		(40,610)		(58,891,300)	(1,177,826)	(60,109,736)	(58,891,300)			(36,891,300)	
2/2/2018		240,610	58,891,300	59,131,910		(40,610)		(8,245,789)	(200,000)	(8,486,399)	(8,245,789)			13,754,211	
2/9/2018		240,610	8,245,789	8,486,399		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(7,880,789)			14,119,211	
2/16/2018		1,933,147	7,880,789	9,813,936	(939,311)	(381,478)	(412,358)	(7,880,789)	(200,000)	(9,813,936)	(7,880,789)			14,119,211	
2/23/2018		612,336	7,880,789	8,493,125		(40,610)		(28,586,300)	(571,726)	(29,198,636)	(28,586,300)			(6,586,300)	
3/2/2018		240,610	28,586,300	28,826,910		(40,610)		(8,245,789)	(200,000)	(8,486,399)	(8,245,789)			13,754,211	
3/9/2018		240,610	8,245,789	8,486,399		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(7,880,789)			14,119,211	
3/16/2018		617,998	7,880,789	8,498,787	(939,311)	(381,478)	(412,358)	(7,880,789)	(200,000)	(9,813,936)	(9,195,938)			12,804,062	
3/23/2018			7,603,659	7,603,659		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,713,678)			12,286,322	
3/30/2018			8,462,267	8,462,267		(40,610)		(28,586,300)	(571,726)	(29,198,636)	(30,450,047)			(8,450,047)	
4/6/2018			28,826,910	28,826,910		(40,610)		(8,245,789)	(200,000)	(8,486,399)	(10,109,536)			11,890,464	
4/13/2018			8,858,125	8,858,125		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,372,810)			12,627,190	
4/20/2018			8,121,399	8,121,399	(939,311)	(381,478)	(412,358)	(7,880,789)	(200,000)	(9,813,936)	(11,065,347)			10,934,653	
4/27/2018			9,473,068	9,473,068		(40,610)		(28,586,300)	(571,726)	(29,198,636)	(30,790,915)			(8,790,915)	
5/4/2018			29,167,778	29,167,778		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,744,536)			12,255,464	
5/11/2018			8,493,125	8,493,125		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,372,810)			12,627,190	
5/18/2018			8,121,399	8,121,399	(939,311)	(381,478)	(412,358)	(7,880,789)	(200,000)	(9,813,936)	(11,065,347)			10,934,653	
5/25/2018			9,473,068	9,473,068		(40,610)		(26,565,050)	(531,301)	(27,136,961)	(28,729,240)			(6,729,240)	
6/1/2018			27,146,528	27,146,528		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,704,111)			12,295,889	
6/8/2018			8,452,700	8,452,700		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,372,810)			12,627,190	

General Land Office and Veterans' Land BoardShort-term Housing Program
Cash Flow Analysis As of December 20, 2017

	Revenue				Expenditures						Cash Balance	Temporary Liquid/S hort-term Funding		
Week Ending	S tate Funds	Federal Funds		Total Revenues	Indirect Admin -					Total Expenditures		Borrow S tate Funds		
		Advance *1	Reimbursement *2		F E M A Payroll	F E M A Operating	43.9%	F E M A Programs	C O G S - 2% *3			2019 GR		
												Appropriations	Other *4	Balance
6/15/2018			8,121,399	8,121,399	(939,311)	(381,478)	(412,358)	(7,880,789)	(200,000)	(9,813,936)	(11,065,347)			10,934,653
6/22/2018			8,121,399	8,121,399		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(11,065,347)			10,934,653
6/29/2018			9,813,936	9,813,936		(40,610)		(17,036,300)	(340,726)	(17,417,636)	(18,669,047)			3,330,953
7/6/2018			17,276,910	17,276,910		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,513,536)			12,486,464
7/13/2018			8,262,125	8,262,125		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,372,810)			12,627,190
7/20/2018			8,121,399	8,121,399	(939,311)	(381,478)	(412,358)	(7,880,789)	(200,000)	(9,813,936)	(11,065,347)			10,934,653
7/27/2018			9,473,068	9,473,068		(40,610)		(17,036,300)	(340,726)	(17,417,636)	(19,009,915)			2,990,085
8/3/2018			17,617,778	17,617,778		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,513,536)			12,486,464
8/10/2018			8,262,125	8,262,125		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(9,372,810)			12,627,190
8/17/2018			8,121,399	8,121,399	(939,311)	(381,478)	(412,358)	(7,880,789)	(200,000)	(9,813,936)	(11,065,347)			10,934,653
8/24/2018			8,121,399	8,121,399		(40,610)		(7,880,789)	(200,000)	(8,121,399)	(11,065,347)	(12,000,000)		(1,065,347)
8/31/2018			9,813,936	9,813,936		(40,610)		(17,036,291)	(340,726)	(17,417,627)	(18,669,038)			(8,669,038)
Total	\$ -	\$ 10,326,415	\$ 467,478,811	\$ 477,805,226	\$ (8,613,482)	\$ (4,610,992)	\$ (3,781,323)	\$ (469,098,444)	\$ (10,370,023)	\$ (496,474,264)		\$ -	\$ 10,000,000	

General Land Office and Veterans' Land BoardShort-term Housing
Program Cash Flow Analysis As of December 20, 2017

	Revenue				Obligations/Expenditures							Cash Balance	Temporary Liquid/Short-term Funding		
Week Ending	State Funds	Federal Funds		Total Revenues	Indirect Admin -					Total Expenditures	Borrow State Funds				
		Advance *1	Reimbursement *2		FEMA Payroll	FEMA Operating	43.9%	FEMA Programs	COGS - 2% *3		2019 GR		Balance		
											Appropriations			Other *4	
Carryfwd	\$ -	\$ 10,326,415	\$ 467,478,811	\$ 477,805,226	\$ (8,613,482)	\$ (4,610,992)	\$ (3,781,323)	\$ (469,098,444)	\$ (10,370,023)	\$ (496,474,264)	\$ (18,669,038)	\$ -	\$ 10,000,000	\$ (8,669,038)	
9/7/2018			17,276,901	17,276,901		(40,610)		(560,589)	(200,000)	(801,199)	(2,193,336)			7,806,664	
9/14/2018			941,925	941,925	(939,311)	(381,478)	(412,358)	(560,589)	(200,000)	(2,493,736)	(3,745,147)			6,254,853	
9/21/2018			801,199	801,199		(40,610)		(560,589)	(200,000)	(801,199)	(3,745,147)			6,254,853	
9/28/2018			2,493,736	2,493,736		(40,610)		(9,716,100)	(200,000)	(9,956,710)	(11,208,121)			(1,208,121)	
10/5/2018			9,956,710	9,956,710		(40,610)		(560,589)	(200,000)	(801,199)	(2,052,610)			7,947,390	
10/12/2018			801,199	801,199		(40,610)		(560,589)	(200,000)	(801,199)	(2,052,610)			7,947,390	
10/19/2018			801,199	801,199	(939,311)	(381,478)	(412,358)	(560,589)	(200,000)	(2,493,736)	(3,745,147)			6,254,853	
10/26/2018			2,152,868	2,152,868		(40,610)		(9,716,100)	(200,000)	(9,956,710)	(11,548,989)			(1,548,989)	
11/2/2018			10,297,578	10,297,578		(40,610)		(560,589)	(200,000)	(801,199)	(2,052,610)			7,947,390	
11/9/2018			801,199	801,199		(40,610)		(560,589)	(200,000)	(801,199)	(2,052,610)			7,947,390	
11/16/2018			801,199	801,199	(939,311)	(381,478)	(412,358)	(560,589)	(200,000)	(2,493,736)	(3,745,147)			6,254,853	
11/23/2018			801,199	801,199		(40,610)		(560,589)	(200,000)	(801,199)	(3,745,147)			6,254,853	
11/30/2018			2,152,868	2,152,868		(40,610)		(9,716,078)	(200,000)	(9,956,688)	(11,548,967)			(1,548,967)	
12/7/2018			9,956,688	9,956,688		(40,610)		-	-	(40,610)	(1,632,889)			8,367,111	
12/14/2018			240,610	240,610	(939,311)	(381,478)	(412,358)	-	-	(1,733,147)	(3,125,426)			6,874,574	
12/21/2018			40,610	40,610		(40,610)		-	-	(40,610)	(3,125,426)			6,874,574	
12/28/2018			1,733,147	1,733,147		(40,610)		(5,228,028)	(200,000)	(5,468,638)	(6,860,917)			3,139,083	
1/4/2019			5,268,638	5,268,638		(40,610)		-	-	(40,610)	(1,632,889)		(5,000,000)	3,367,111	
1/11/2019			240,610	240,610		(40,610)		-	-	(40,610)	(1,432,889)			3,567,111	
1/18/2019			40,610	40,610	(939,311)	(381,478)	(412,358)	-	-	(1,733,147)	(3,125,426)			1,874,574	
1/25/2019			1,392,279	1,392,279		(40,610)		-	-	(40,610)	(1,773,757)			3,226,243	
2/1/2019			381,478	381,478		(40,610)		-	-	(40,610)	(1,432,889)			3,567,111	
2/8/2019			40,610	40,610		(40,610)		-	-	(40,610)	(1,432,889)			3,567,111	
2/15/2019			40,610	40,610	(939,304)	(381,472)	(412,347)	-	-	(1,733,123)	(3,125,402)			1,874,598	
2/22/2019			1,392,279	1,392,279		-		-	-	-	(1,733,123)			3,266,877	
3/1/2019			381,472	381,472		-		-	-	-	(1,351,651)			3,648,349	
3/8/2019			-	-		-		-	-	-	(1,351,651)			3,648,349	
3/15/2019			-	-		-		-	-	-	(1,351,651)			3,648,349	
3/22/2019			-	-		-		-	-	-	(1,351,651)			3,648,349	
3/29/2019			1,351,651	1,351,651		-		-	-	-	-			5,000,000	
4/5/2019			-	-		-		-	-	-	-		(5,000,000)	-	
4/12/2019			-	-		-		-	-	-	-			-	
4/19/2019			-	-		-		-	-	-	-			-	
4/26/2019			-	-		-		-	-	-	-			-	
5/3/2019			-	-		-		-	-	-	-			-	
5/10/2019			-	-		-		-	-	-	-			-	
5/17/2019			-	-		-		-	-	-	-			-	
5/24/2019			-	-		-		-	-	-	-			-	
5/31/2019			-	-		-		-	-	-	-			-	
6/7/2019			-	-		-		-	-	-	-			-	
6/14/2019			-	-		-		-	-	-	-			-	
6/21/2019			-	-		-		-	-	-	-			-	
6/28/2019			-	-		-		-	-	-	-			-	

General Land Office and Veterans' Land Board Short-term Housing
Program Cash Flow Analysis As of December 20, 2017

	Revenue				Obligations/Expenditures						Cash Balance	Temporary Liquid/Short-term Funding		
Week Ending	State Funds	Federal Funds		Total Revenues	Indirect Admin -					Total Expenditures		Borrow State Funds		
		Advance *1	Reimbursement *2		FEMA Payroll	FEMA Operating	43.9%	FEMA Programs	COGS - 2% *3			2019 GR		
												Appropriations	Other *4	Balance
7/5/2019					-				-	-	-			-
7/12/2019					-				-	-	-			-
7/19/2019					-				-	-	-			-
7/26/2019					-				-	-	-			-
8/2/2019					-				-	-	-			-
8/9/2019					-				-	-	-			-
8/16/2019					-				-	-	-			-
8/23/2019					-				-	-	-			-
8/30/2019					-				-	-	-			-
Total	\$ -	\$ 10,326,415	\$ 540,059,883	\$ 550,386,298	\$ (14,249,341)	\$ (7,630,834)	\$ (6,255,460)	\$ (509,080,640)	\$ (13,170,023)	\$ (550,386,298)		\$ -	\$ -	

	Advance:						-	
	received 10/23/17	\$ 15,271,020	Check:					
	adjustment to new projection	(4,944,605)	Payroll 12 mos.	8,506,964	3,734,557	\$ 509,080,640	GLO Costs	
	Adjusted Advance	<u>\$ 10,326,415</u>	Payroll 3.17 mos.	2,247,256	986,545	41,305,658	Admin - 6% (\$688M-GLO Costs \$509M plus FEMA Provided \$179M)	
			Agy Prrl					
	Contribution 12 mos.	127,604			56,018	\$ 550,386,298	GLO Program/Admin Costs	
	Agy Prrl							
	Contribution 3.17 mos.	33,709			14,798	179,347,000	FEMA Provided MHUs/Trailers/RVs	
	Fringe 12 mos.	2,637,159			1,157,713	<u>\$ 729,733,298</u>	Total FEMA Program	
	Fringe 3.17 mos.	696,649			305,829			
	Non-Payroll 12 mos.		1,991,685					
	Non-Payroll 3.17 mos.		526,133			\$ 58,891,300	Largest cash flow deficit	
	Outsourcing		5,113,016			-	Zero balance (\$ needed if -0- not acceptable)	
	Multi-Fam Lease							
	Repairs				10,901,520	<u>\$ 58,891,300</u>	Total cash flow need	
	Direct Leasing				23,502,960			
	PHC - Repairs				67,964,400			
	MHU				289,420,960			
	RV/Trailers				117,290,800			
	COGS - 2%					13,170,023		
		\$ 14,249,341	\$ 7,630,834	\$ 6,255,460	\$ 509,080,640	\$ 13,170,023	\$ 550,386,298	
	Difference	-	-	-	-	-		

General Land Office and Veterans' Land BoardShort-term Housing
Program Cash Flow Analysis As of December 20, 2017

	Revenue				Obligations/E xpenditures						Cash Balance	Temporary Liquid/S hort-term Funding		
	State Funds	Federal Funds		Total Revenues	Indirect Admin -				Total E xpenditures	Borrow S tate Funds				
					2019 GR									
Week Ending		Advance *1	Reimbursement *2		FEMA Payroll	FEMA Operating	43.9%	FEMA Programs		COGS - 2% *3		Appropriations	Other *4	Balance

Assumptions:

*1 Advance of federal funds assumes advance given once and remainder of program on a reimbursement basis based on historical complications in obtaining advanced funding. FEMA advanced funds of \$15,271,020 on 10/23/17 to the GLO. Advance funds may only be used for 6% Administration costs; not FEMA Program costs.

*2 Reimbursement of federal funds assumes reimbursement received by following timelines:

- a. FEMA Payroll - end of the month of payment date to employees. Actual payrolls pay against cash in the Uniform Statewide Accounting System (USAS) mid-month. Sufficient cash required in USAS accounts to pay all Payroll expenses or the entire Payroll for the agency will not process for payment.
- b. FEMA Operating Costs - assumes spent evenly per week through the end of the program, 2/25/2019 and two weeks for reimbursement from FEMA. Assumes outsourcing personnel (Accounting, Audit, and General Services) costs spent evenly per month beginning mid-Nov 2017.
- c. Indirect Admin 43.9% - same assumptions as FEMA Payroll as indirect is drawn based on direct FEMA payroll expenses
- d. FEMA Programs - the aim of the GLO is to work with FEMA to reimburse expenses on proper invoice, however, assumes a one week delay as 4 week turnaround is a tight timeline for proper review of invoice at the GLO and allowing FEMA 10-14 business days to process payment.
- e. COGS 2% - assumes spent evenly per week through the end of the program, 2/25/2019 and two weeks for reimbursement from FEMA

*3 COG contract amounts were based on the original FEMA estimate and total \$20,361,360 (2% or a minimum of \$200,000). For cash flow analysis, the COGS cost is kept at 2% of the new estimate.

*4 Borrow State Funds, Other - includes \$10 million of Economic Stabilization Fund (ESF) grant funds as of 10/30/17 from the Office of the Governor (OOG). Grant funds will be used for cash flow purposes, and barring any FEMA disallowed costs outside of the General Land Office' control, will be transferred back to the OOG at the end of the Short-term Housing Program.

General Land Office and Veterans' Land BoardShort-term Housing Program
Direct Project Costs for Cash Flow Analysis as of December 20, 2017

	Expenditures					
	Multi-Family Lease and		Permanent Housing Construction	Manufactured Housing Units	Recreation Vehicles	
Week Ending	Repair	Direct Leasing	(PHC) - Repairs	(MHU)	(RV)/Trailers	Total Expenditures
8/25/2017	\$ -	\$ -	\$ -		\$ -	\$ -
9/1/2017						-
9/8/2017						-
9/15/2017						-
9/22/2017						-
9/29/2017						-
10/6/2017						-
10/13/2017				(1,890,590)		(1,890,590)
10/20/2017						-
10/27/2017						-
11/3/2017						-
11/10/2017				(27,958)		(27,958)
11/17/2017						-
11/24/2017						-
12/1/2017				(201,621)		(201,621)
12/8/2017						-
12/15/2017						-
12/22/2017						-
12/29/2017					(362,400)	(362,400)
1/5/2018			(5,228,031)	(7,757,600)	(560,589)	(13,546,220)
1/12/2018				(7,320,200)	(560,589)	(7,880,789)
1/19/2018				(32,070,200)	(560,589)	(32,630,789)
1/26/2018	(991,047)	(2,136,633)	(5,228,031)	(7,757,600)	(42,777,989)	(58,891,300)
2/2/2018				(7,685,200)	(560,589)	(8,245,789)
2/9/2018				(7,320,200)	(560,589)	(7,880,789)
2/16/2018				(7,320,200)	(560,589)	(7,880,789)
2/23/2018	(991,047)	(2,136,633)	(5,228,031)	(7,757,600)	(12,472,989)	(28,586,300)
3/2/2018				(7,685,200)	(560,589)	(8,245,789)
3/9/2018				(7,320,200)	(560,589)	(7,880,789)
3/16/2018				(7,320,200)	(560,589)	(7,880,789)
3/23/2018				(7,320,200)	(560,589)	(7,880,789)
3/30/2018	(991,047)	(2,136,633)	(5,228,031)	(7,757,600)	(12,472,989)	(28,586,300)
4/6/2018				(7,685,200)	(560,589)	(8,245,789)
4/13/2018				(7,320,200)	(560,589)	(7,880,789)
4/20/2018				(7,320,200)	(560,589)	(7,880,789)
4/27/2018	(991,047)	(2,136,633)	(5,228,031)	(7,757,600)	(12,472,989)	(28,586,300)
5/4/2018				(7,320,200)	(560,589)	(7,880,789)
5/11/2018				(7,320,200)	(560,589)	(7,880,789)
5/18/2018				(7,320,200)	(560,589)	(7,880,789)
5/25/2018	(991,047)	(2,136,633)	(5,228,031)	(7,757,600)	(10,451,739)	(26,565,050)
6/1/2018				(7,320,200)	(560,589)	(7,880,789)
6/8/2018				(7,320,200)	(560,589)	(7,880,789)
6/15/2018				(7,320,200)	(560,589)	(7,880,789)

	Expenditures					
	Multi-Family Lease and		Permanent Housing Construction	Manufactured Housing Units	Recreation Vehicles	
Week Ending	Repair	Direct Leasing	(PHC) - Repairs	(MHU)	(RV)/Trailers	Total Expenditures
Carryfwd	\$ (7,928,376)	\$ (17,093,064)	\$ (47,052,279)	\$ (288,108,760)	\$ (108,915,965)	\$ (469,098,444)
						-
9/7/2018					(560,589)	(560,589)
9/14/2018					(560,589)	(560,589)
9/21/2018					(560,589)	(560,589)
9/28/2018	(991,047)	(2,136,633)	(5,228,031)	(437,400)	(922,989)	(9,716,100)
10/5/2018					(560,589)	(560,589)
10/12/2018					(560,589)	(560,589)
10/19/2018					(560,589)	(560,589)
10/26/2018	(991,047)	(2,136,633)	(5,228,031)	(437,400)	(922,989)	(9,716,100)
11/2/2018					(560,589)	(560,589)
11/9/2018					(560,589)	(560,589)
11/16/2018					(560,589)	(560,589)
11/23/2018					(560,589)	(560,589)
11/30/2018	(991,050)	(2,136,630)	(5,228,031)	(437,400)	(922,967)	(9,716,078)
12/7/2018						-
12/14/2018						-
12/21/2018						-
12/28/2018			(5,228,028)			(5,228,028)
1/4/2019						-
1/11/2019						-
1/18/2019						-
1/25/2019						-
2/1/2019						-
2/8/2019						-
2/15/2019						-
2/22/2019						-
3/1/2019						-
3/8/2019						-
3/15/2019						-
3/22/2019						-
3/29/2019						-
4/5/2019						-
4/12/2019						-
4/19/2019						-
4/26/2019						-
5/3/2019						-
5/10/2019						-
5/17/2019						-
5/24/2019						-
5/31/2019						-
6/7/2019						-
6/14/2019						-

General Land Office and Veterans' Land BoardShort-term Housing Program
Direct Project Costs for Cash Flow Analysis as of December 20, 2017

	Expenditures					
	Multi-Family Lease and		Permanent Housing Construction	Manufactured Housing Units	Recreation Vehicles	
Week Ending	Repair	Direct Leasing	(PHC) - Repairs	(MHU)	(RV)/Trailers	Total Expenditures
6/22/2018				(7,320,200)	(560,589)	(7,880,789)
6/29/2018	(991,047)	(2,136,633)	(5,228,031)	(7,757,600)	(922,989)	(17,036,300)
7/6/2018				(7,320,200)	(560,589)	(7,880,789)
7/13/2018				(7,320,200)	(560,589)	(7,880,789)
7/20/2018				(7,320,200)	(560,589)	(7,880,789)
7/27/2018	(991,047)	(2,136,633)	(5,228,031)	(7,757,600)	(922,989)	(17,036,300)
8/3/2018				(7,320,200)	(560,589)	(7,880,789)
8/10/2018				(7,320,200)	(560,589)	(7,880,789)
8/17/2018				(7,320,200)	(560,589)	(7,880,789)
8/24/2018				(7,320,200)	(560,589)	(7,880,789)
8/31/2018	(991,047)	(2,136,633)	(5,228,031)	(7,757,591)	(922,989)	(17,036,291)
Total	\$ (7,928,376)	\$ (17,093,064)	\$ (47,052,279)	\$ (288,108,760)	\$ (108,915,965)	\$ (469,098,444)

Assumptions: Based on Direct Housing Need of 8,292 as of 12/9/2017 (per Short-term Housing Program)

Multi-Family Lease and Repair:	412 applicants
	<u>11</u> start in Feb 2018; 11 months; paid before 1st of next month in equal monthly payments
	<u>37</u> rents due per month
	\$ 10,901,520 Total per new projection
	<u>11</u> start in Feb 2018; 11 months
	<u>\$ 991,047</u> Per month cost (paid before 1st of next month in equal monthly payments)

PHC Repair (DHLR):	899 units
	<u>13</u> start in Dec 2017 (payment starting in Jan 2018); 13 months
	<u>69</u> units repaired per month
	\$ 67,964,400 Total per new projection
	<u>13</u> start in Dec 2017; 13 months
	Per month cost (Repairs take ave of 3 months with 1/3 equal builder draw per month at month
	<u>\$ 5,228,031</u> end (work 1/3 complete every month))

	Expenditures					
	Multi-Family Lease and Repair		Permanent Housing Construction	Manufactured Housing Units	Recreation Vehicles	
Week Ending		Direct Leasing	(PHC) - Repairs	(MHU)	(RV)/Trailers	Total Expenditures
6/21/2019						-
6/28/2019						-
7/5/2019						-
7/12/2019						-
7/19/2019						-
7/26/2019						-
8/2/2019						-
8/9/2019						-
8/16/2019						-
8/23/2019						-
8/30/2019						-
Total	\$ (10,901,520)	\$ (23,502,960)	\$ (67,964,400)	\$ (289,420,960)	\$ (117,290,800)	\$ (509,080,640)

Check - GLO Costs	10,901,520	23,502,960	67,964,400	289,420,960	117,290,800	509,080,640
	-	-	-	-	-	
					FEMA Provided	179,347,000
					GLO and FEMA Program Costs	688,427,640
					Admin 6%	41,305,658
					Total FEMA Program	729,733,298

Direct Leasing:	837 applicants
	<u>11</u> start in Feb 2018; 11 months; paid before 1st of next month in equal monthly payments
	<u>76</u> rents due per month
	\$ 23,502,960 Total per new projection
	<u>11</u> start in Feb 2018; 11 months
	<u>\$ 2,136,633</u> Per month cost (paid before 1st of next month in equal monthly payments)

General Land Office and Veterans' Land BoardShort-term Housing Program
Direct Project Costs for Cash Flow Analysis as of December 20, 2017

	Expenditures					
	Multi-Family Lease and Repair	Permanent Housing Construction (PHC) - Repairs	Manufactured Housing Units (MHU)	Recreation Vehicles (RV)/Trailers		
Week Ending	Direct Leasing				Total Expenditures	

MHUs:	3,438	applicants				
	<u>(1,186)</u>	Provided by FE MA				
	2,252	(1,802 at \$55,000 each, 450 at \$68,750 each for accessibility upgrades)				
	<u>(450)</u>	Dec 2017				
	1,802	Balance				
	<u>35</u>	start in Jan 2018; 30 weeks; paid at end of each week upon delivery and installation				
	<u>51</u>	units per week; approximately 10 units per day				
	\$ 392,189,160	Total per new projection				
	<u>(109,112,000)</u>	Provided by FE MA, 1,186 at \$92,000 each				
	283,077,160	Balance				
	(2,120,169)	Oct -Dec 2017, purchase 29 MHUs and associated costs				
	<u>(24,750,000)</u>	Jan 2018 (purchased Dec 2017)				
	\$ 256,206,991	Balance				
	<u>35</u>	start in Jan 2018; 35 weeks				
	<u>\$ 7,320,200</u>	Per week cost (paid weekly in equal payments)				
	\$ 5,248,800	Commercial Site Pad Leases: 729 MHUs at \$600/mo				
	<u>12</u>	start in Jan 2018; 12 months				
	<u>\$ 437,400</u>	Per month cost				
	\$ 1,095,000	Commercial Site Improvements: 146 group sites at \$7,500/site				
	<u>3</u>	start in Jan 2018; 3 months				
		Per month cost (Repairs take ave of 3 months with 1/3 equal builder draw per month at month				
	<u>\$ 365,000</u>	end (work 1/3 complete every month))				

	Expenditures					
	Multi-Family Lease and Repair	Permanent Housing Construction (PHC) - Repairs	Manufactured Housing Units (MHU)	Recreation Vehicles (RV)/Trailers		
Week Ending	Direct Leasing				Total Expenditures	

RVs/Trailers:	2,706	applicants				
	<u>(1,277)</u>	Provided by FE MA				
	1,429	(888 at \$55,000 each, 541 at \$68,750 each for accessibility upgrades)				
	(664)	Dec 2017				
	(200)	Jan 2018				
	(200)	Feb 2018				
	(200)	Mar 2018				
	<u>(165)</u>	Apr 2018				
	<u>-</u>					
	\$ 183,177,000	Total per new projection				
	<u>(70,235,000)</u>	Provided by FE MA, 1,277 at \$55,000 each				
	112,942,000	Balance				
	(41,855,000)	Dec 2017; paid Jan 2018				
	(11,550,000)	Jan 2018; paid Feb 2018				
	(11,550,000)	Feb 2018; paid Mar 2018				
	(11,550,000)	Mar 2018; paid Apr 2018				
	<u>(9,528,750)</u>	Apr 2018: paid May 2018				
	\$ 26,908,250	Balance				
	<u>48</u>	start in Jan 2018; 48 weeks				
	<u>\$ 560,589</u>	Per week cost (paid weekly in equal payments)				
	\$ 4,348,800	Commercial Site Pad Leases: 604 RVs at \$600/mo				
	<u>12</u>	start in Jan 2018; 12 months				
	<u>\$ 362,400</u>	Per month cost				

House Committee on Appropriations

January 12, 2018 Hearing

TEXAS DEPARTMENT OF CRIMINAL JUSTICE

TDCJ Hurricane Harvey Update

TDCJ Hurricane Harvey Update

Preparation / Response

- Preparations began in advance of the storm by staging offender buses and staff in the Beeville area for possible evacuations. Additional food, water, fuel for generators, and other necessities were delivered to the potentially impacted units.
- A total of 5,842 offenders and 1,098 parolees and probationers were evacuated primarily from facilities located in Rosharon, Richmond, Houston, and Beaumont. These offenders were transported to other TDCJ correctional facilities in south and east Texas.



TDCJ Hurricane Harvey Update

- After landfall, 30 units were without electrical power (between August 26 and August 30, 2017) and the city of Beaumont's water system was temporarily disabled.
- Most impacted facilities were able to shelter in place. In areas where electricity or water service were temporarily interrupted, back-up generators, water tankers, and deliveries of bottled water were employed.



TDCJ Hurricane Harvey Update

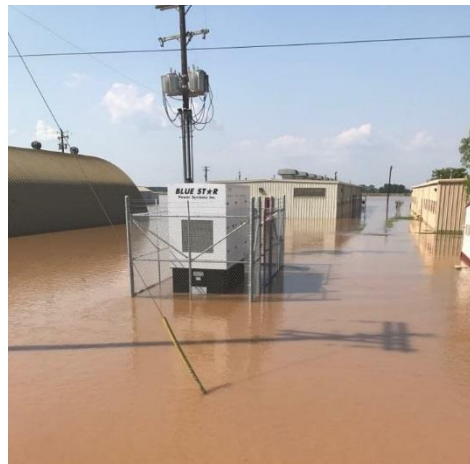
- The agency also responded to requests from the Texas Division of Emergency Management (TDEM) to assist with operations for the public and first responders. TDCJ facilities and staff supported a staging location for DPS and military responders in Beeville. Offender work crews produced sandbags for use in response activities. In addition, TDCJ's Office of Inspector General assisted local police departments with law enforcement duties.



TDCJ Hurricane Harvey Update

Recovery

- All evacuated units have since been repopulated. Minimal infrastructure damage was sustained, primarily damages to perimeter roads and fencing and minor flood damage of a few support buildings near affected units. Equipment damage is also minimal, consisting mainly of transformers, water heaters, and transportation and agriculture equipment. In addition, Hurricane Harvey caused the loss of approximately 2,600 acres of crops, to include cotton and corn.



TDCJ Hurricane Harvey Update

Expenditures

- The majority of TDCJ expenditures have been labor costs associated with the evacuation and repopulation of facilities.
- Expenditures reported as of January 5, 2018 total \$8.2 million. This amount includes labor costs (overtime only), as well as equipment used, supplies, fuel, rentals, and other related expenses. Of the current expenditures, approximately \$4.3 million is expected to be covered by FEMA (mostly expenditures for overtime).

House Appropriations Committee
Subcommittee on Disaster Impact & Recovery Hearing - January 12, 2018

Thank you Chairman Zerwas, Vice-Chair Longoria, and members of the Appropriations Subcommittee on Disaster Impact and Recovery. For the record, my name is Bryan Shaw. I am the Chairman of the Texas Commission on Environmental Quality (TCEQ), and I am here to discuss the use of federal funds and the need for state resources in response to natural disasters. TCEQ executive support staff is in the audience to help with questions.

Opportunity to Maximize the Use of Federal Funds by State Agencies

Receiving funds from the federal government is extremely important in the wake of a natural disaster like Hurricane Harvey. One of the most important ways for state agencies to maximize the use of federal funds is through pre-planning to ensure a quick response to disasters. When a major Presidential Disaster Declaration is issued, it is common for the Federal Emergency Management Agency (FEMA) to reimburse 100% of response activity costs incurred during the first 30 days, or use a lower percentage of cost share under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

For state agencies, this means that all eligible and properly documented disaster response activities related to Category B “Emergency Protective Measures” may be 100% reimbursable to the state during the first 30 days. Other eligible reimbursement activities for state agencies like Category A “Debris Removal” are covered at up to 90% reimbursement from the onset. These activities can be conducted under the FEMA public assistance program or through a request for a Mission Assignment (MA) for Direct Federal Assistance. Under the FEMA public assistance program, the state pays upfront and then seeks reimbursement. When an MA is requested, the federal agency is assigned to conduct activities for the state, meaning there are no upfront costs. For the Category B “Emergency Protective Measures,” once the first 30-day period passes, FEMA generally will set the reimbursement rate between 90% and 75%, meaning the state will be responsible for 10% to 25% cost share for activities.

Therefore, to maximize the use of federal funds, it is important that state agencies be prepared to act quickly to begin response activities during the first 30 days of a major disaster.

**House Appropriations Committee
Subcommittee on Disaster Impact & Recovery Hearing - January 12, 2018**

The Use of Federal Funds by the TCEQ

Because of the TCEQ's pre-planning and disaster preparedness coordination with other state and federal partners, FEMA quickly issued the TCEQ an MA on August 28, 2017. Through this early MA and subsequent amendments, FEMA authorized the TCEQ to receive over \$15 million in Direct Federal Assistance from the U.S. Environmental Protection Agency (EPA), most of which was covered at 90% to 100% reimbursement.

Also, through the FEMA public assistance program, the TCEQ anticipates that most of our direct response costs, which may reach up to \$700,000 for overtime, travel, and materials, will be reimbursable at 90% to 100% for eligible costs.

The Need for State Resources

In addition to federal funds and resources, state resources are also crucial in natural disaster response and recovery efforts.

As I discussed earlier, for debris removal, there is potential for reimbursement from FEMA. Just like with state agencies, the local governments are also potentially eligible for FEMA reimbursement for approved and properly documented debris removal operations. In this case, the local governments are responsible for 10% of the cost share.

In response to Hurricane Harvey, TCEQ staff worked with local governments to ensure the proper steps were followed to qualify for reimbursement of debris removal operations. Also, to help those governments with the federal cost share, the TCEQ worked with Governor Abbott and the Texas Division of Emergency Management (TDEM) to alleviate these costs. By working together, our agencies facilitated the transfer of \$90 million from the TCEQ's Solid Waste Disposal Account to TDEM, and that money will ultimately go to local governments to cover that 10% local cost share.

House Appropriations Committee
Subcommittee on Disaster Impact & Recovery Hearing - January 12, 2018

To lessen the need for state resources for future natural disasters the following actions are recommended to help maximize the use of federal funds and reduce the impact on state resources:

1. To streamline the process of debris removal it would be very beneficial for local governments to have current debris management plans in place that include provisions for working with the TCEQ (the approving authority) to pre-identify an adequate number of Temporary Debris Management Sites prior to the next disaster. This single measure would allow local governments to begin debris removal operations sooner and more efficiently;
2. To conserve landfill space and reduce transportation costs, local governments may consider the use of Air Curtain Incinerators for burning vegetative debris; and
3. To reduce the tremendous volume of construction and demolition debris, and to reduce transportation costs to landfills, local governments should consider recycling as much material as practical. Also, the use of industrial shredders, grinders, or compactors may provide a means of reducing volume and potentially lowering transportation costs.

Conclusion

The TCEQ has a vast amount of regulatory guidance, support material, and useful information posted under the Hurricane Harvey Response link on our main web page.¹ The agency also put together a website with information related to Hurricane Harvey financial assistance and resources.²

I do want to thank you for the opportunity to visit with you today. I am available to answer questions you may have.

¹ <https://www.tceq.texas.gov/>

² <https://www.tceq.texas.gov/assistance/funding/funding>