

# Disaster Recovery

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## Definition

**Question:** How is “disaster” defined?

**Answer:** Iowa Code defines disaster as man-made and natural occurrences, such as fire, flood, drought, earthquake, tornado, windstorm, hazardous substance or nuclear power plant accident or incident, which threaten the public peace, health, and safety of the people or which damage and destroy public or private property. The term includes attack, sabotage, or other hostile action from within or without the state.

## Environmental Hazards

**Question:** What responsibilities does a district have for air quality, such as later development of mold, mildew, or other environmental hazards after a natural disaster?

**Answer:** Failure to remove contaminated materials and to reduce moisture and humidity can present serious long-term health risks. Standing water and wet materials are a breeding ground for microorganisms, such as viruses, bacteria, and mold. They can cause disease, trigger allergic reactions, and continue to damage materials long after a flood. [The Environmental Protection Agency \(EPA\)](#) provides information on flood cleanup at its website. The school district should contact its insurance agent or carrier for more information about indoor air quality issues.

**Question:** What responsibilities does a district have if asbestos was exposed due to the flooding of the schools?

**Answer:** School districts and AEAs that have buildings affected by flooding need to review their asbestos "Operations and Maintenance" plan and follow the Asbestos Hazard Emergency Response Act (AHERA) regulations. Operations and maintenance programs are developed for facilities to provide in-place management of asbestos-containing materials and lead-based paint and include:

- Survey reports and requirements to reassess condition of materials,
- Procedures for responding to emergency releases of materials,
- Procedures to communicate hazards to employees and contractors, and
- Requirements for training of individuals working with materials.

The presence of asbestos in high-activity public buildings such as schools presents the opportunity for inadvertent disturbance and potential exposure. The Environmental Protection Agency (EPA) created a website addressing asbestos in schools. This resource contains information on the AHERA, asbestos management in schools, a summary of health effects of asbestos, questions about asbestos in schools, and useful links to other EPA and non-EPA resources. To learn more visit [here](#). In addition to the requirements pursuant to AHERA, school districts and AEAs need also to comply with the National Emissions Standards for Hazardous Air Pollutants (NESHAP), found at 40 CFR Part 61, Subpart M. It requires that owners or operators of facilities notify the appropriate authority (usually the state air pollution control agency) before demolishing or renovating facilities. School districts will need to contact the NESHAP Coordinator at the Iowa Department of Natural Resources.

**Question:** What can a district do if classroom chemicals were exposed to water?

**Answer:** School districts should not handle or remove classroom chemicals that were exposed to water such as through flood contamination. The district should contact an environmental services disposal company. The school district should also contact its insurance agent or carrier for more information about contaminated classroom chemicals.

## Outstanding Debt

**Question:** If a district has already issued general obligation or revenue bonds, but the building on which the bonds were issued has been destroyed, can it change the purposes of the bond proceeds?

**Answer:** A school board that may be facing this situation should contact its bond counsel to discuss its options.

## Records and Reports

**Question:** What is the responsibility of a school district that has lost permanent records, including student, financial, employee, school board-related, transportation, food service, and other records?

**Answer:** The school must do what it can to retrieve or recreate these documents. Such steps may include talking to teachers about information still available from the teachers' grade books for student records or using local newspapers which publish minutes of board meetings as a source for recreating school board records. Make a note of the type of disaster, the date, and that the records were destroyed.

**Question:** If necessary, can a district request permission to file data submissions to the Iowa Department of Education later than the due date?

**Answer:** School districts, area education agencies, and community colleges affected by a natural disaster must notify the contact person for the data collection to request an extension to the due date for a data submission. Many of the data collected by the Department are in turn reported to the federal government, and the Department must notify the federal government of any changes or delays.

## Enrollment and Tuition

**Question:** When a student attends school in a district in which the student's family is temporarily relocated, what is the obligation of the original district regarding transmission of student records?

**Answer:** The original district must give copies of all records that the new district of temporary enrollment reasonably needs to serve the best interests of the displaced student. In some cases, this may be the bare minimum "transcript-type" information. In all cases, full copies of IEPs and 504 plans must be provided. When in doubt, pass along any information that will assist the school of temporary enrollment to best serve the student.

**Question:** Must students who transfer to a new district because their family was displaced by the natural disasters comply with the athletic eligibility transfer rule?

**Answer:** This will be determined through an agreement among the Iowa Department of Education, the Iowa High School Athletic Association, and the Iowa Girls High School Athletic Union to accommodate secondary students whose families are displaced by natural disasters. Ordinarily, the transfer rule requires high school students who transfer from one school to another without a contemporaneous parental move to sit out 90 consecutive school days from varsity level competition in interscholastic sports. Depending on the nature and longevity of the natural disasters, the agreement could include that displaced students will be held harmless.

**Question:** If Iowa resident students have temporarily moved into one or more other Iowa school districts because their homes were damaged by flooding or tornados, and the family has declared its intent to return to the resident district when their home is repaired, can the original resident district still count the student as a resident student?

**Answer:** Yes.

1. Districts, both resident and receiving, must ascertain whether displaced families intend to return within a reasonable period of time (18 months, for example) to their pre-disaster resident district. The districts should obtain the intent and expected date of return in writing, signed by the parent or guardian.
2. The students of displaced families who intend to return and who will continue their education in the resident district without interruption are to be included on the certified enrollment of the resident district.
3. The students of displaced families who intend to return but whose education will be provided in the district of temporary location of the family also are to be included on the certified enrollment of the resident district. The resident district will pay tuition to the serving district for the days served.
4. Families are not to use open enrollment for these temporary situations; open enrollment funding does not include all of the funding that accrues to a district per certified enrollment of a resident student. Open enrollment is appropriate if a family is displaced from District A to District B, but desires that their children attend District C.
5. The students of displaced families who do not intend to return, will be enrolled as residents of the school district where the family is living. Open enrollment is appropriate if the family moved into District B and does not intend to return to residency in District A, but desires that their children attend District A or District C.

## Accounting

**Question:** What special accounting procedures should be implemented for recording expenditures related to the disaster recovery?

**Answer:** Initially code all expenditures related to disaster recovery to a district-assigned project number (between 8001 and 9999) in the fund appropriate for the type of expenditure unless the portion that will be covered by grants is known. Use a separate capital projects fund for infrastructure expenditures, if significant, otherwise the Physical Plant and Equipment (PPEL) Fund or the SAVE capital project can be used. Use the general fund for operating expenditures (such as replacement of supplies, textbooks, etc.). Equipment replacements will be made from funds as allowed by Code, which would include the General Fund and sometimes PPEL (IC 298.3(3)) or sometimes the SAVE Fund. Any amounts reimbursed by federal or state funding would be coded to the project number assigned to the applicable federal or state funding and deposited into the same fund as the expenditures were accounted for that are being reimbursed.

**Question:** What are the accounting procedures for revenues and related expenditures for disaster assistance payments?

**Answer:** School districts will use the source code assigned to the revenue source and use the assigned project code for grant revenues and related expenditures. The most common source codes districts will use are 4566, Public Assistance Grants (FEMA Disaster Assistance) (CFDA 97.036); 3272 Iowa disaster assistance (IC 29C.6(17)), and 5311 Compensation for loss of fixed assets; or 6410 Compensation for Significant Loss of Fixed Assets. Donations from private sources are recorded in source 1920, or in source 6420, if significant.

**Question:** What fund must a district use for cleanup from the disaster?

**Answer:** According to federal guidance, cleaning required due to a natural disaster is an operation and maintenance cost (General Fund).

**Question:** What fund must a district use for insurance proceeds it receives?

**Answer:** The insurance proceeds will be receipted into the fund replacing or repairing the damaged assets for which the insurance proceeds were paid.

**Question:** Can insurance deductibles be recorded as a transfer from the Management Fund to the General Fund?

**Answer:** Expenditures for all operating costs, including the replacement of supplies, textbooks, and other operating costs would be reported in the General Fund. Expenditures for all capital costs, including for infrastructure demolition, repairs, and new construction would be reported in a Capital Projects Fund. Districts may transfer funds from the Management Fund to the General Fund or to the Capital Projects Fund, as appropriate, for the deductible amount, provided it was submitted to insurance and would have been reimbursed except for the fact that it is within the deductible amount.

**Question:** What are the implications of disaster-related expenditures incurred over several months or years?

**Answer:** Depending on the amount of expenditures, districts may need to amend their certified budgets if any of the budget control lines will be exceeded. Any work completed, but not paid for, would be recorded as an expenditure and payable on the district's records. Claims for reimbursement would be recorded as a receivable and a revenue if received within 60 days, or a deferred inflow if not received within 60 days.

The district or AEA may establish the disaster recovery fund (a special revenue fund) to account for the financial transactions related to disaster recovery that extend over more than one fiscal year, are normally accounted for in multiple other funds, and are not required to be accounted for in the emergency levy fund. Establishment of a disaster

recovery fund for a qualified disaster is not required of the district or AEA but is available for the convenience of the district or AEA in accumulating financial information necessary for FEMA or similar grants.

**Question:** What school district fund(s) pay for what expenditures related to disaster recovery?

**Answer:** A district could use a capital projects fund such as PPEL or SAVE for costs associated with new construction, repair, or remodeling. Maintenance costs, such as repainting, will be paid from the General Fund, and are not allowed in PPEL.

**Question:** What assistance is there for teachers and other staff who lost personal items that they were using in the classroom or offices?

**Answer:** Teachers and staff should contact their home owner insurance agents. In addition, they could contact their school administrators in case any personal items might be covered under the district's insurance coverage.

**Question:** Can the district reimburse staff for temporarily using their homes as offices to continue school business due to the disaster?

**Answer:** No. The district could rent available temporary space, include space from other public or private agencies. The staff could work from home if the district allows but would not be paid additionally for doing so.

**Question:** How does a district account for donated portable buildings, equipment, or supplies?

**Answer:** Donated supplies will not be recorded. The fair market value of portable buildings on the date of donation would be included in Fixed Assets, Fund 08. Equipment with a fair market value over \$500 would be included in Fixed Assets, Fund 08, for governmental assets, or in the enterprise fund for enterprise assets, such as nutrition assets.

**Question:** If re-painting every classroom due to flood water damage is extensive and costly, can it then be paid from PPEL?

**Answer:** Repainting would be a maintenance cost and would be paid from the General Fund. PPEL is the proper fund for repairing. If painting is initial painting of walls replaced due to damage to the facilities, the initial painting cost would be part of the construction cost and can be paid from PPEL or SAVE.

**Question:** What procedures must a district follow if it has damaged food commodities of which it needs to dispose?

**Answer:** The district needs to document any food items that are from USDA by listing the name of the product and the amount of the product that had to be destroyed. A school district does not need permission to dispose of USDA commodities damaged by natural disasters. With the inception of the "Single Inventory" method of warehousing food product, it has been determined that once the food product has been delivered, it is the property of the school district. The district would want to document what was disposed of for insurance purposes. The district may also be eligible for replacement commodities if the State of Iowa has excess inventory.

## School Budget Review Committee

**Question:** May a district submit a request for additional modified supplemental amount from the School Budget Review Committee (SBRC) for the expenditures related to the disaster?

**Answer:** Yes. A district may request a modified supplemental amount from the SBRC for costs directly related to a natural disaster such as replacement of furnishings, equipment, or supplies from the General Fund, net of all insurance or disaster assistance or lawsuit proceeds received or to be received related to those items. The costs should be unduplicated actual costs not covered by other sources. The exhibits should include a budget listing of itemized total costs exclusively related to the natural disaster, revenues or budget authority provided through FEMA, insurance, lawsuits, or other resources and the balance of costs for which the request is made. If the district made no effort to recover costs through FEMA, insurance, lawsuits, or other appropriate means, explain why in the exhibits. The SBRC will determine which costs will qualify for a modified supplemental amount. (Iowa Code 257.31(5)"b")

**Question:** May a district request a modified supplemental amount from the SBRC for additional personnel costs related to disaster recovery?

**Answer:** Yes. A district may submit a request for a modified supplemental amount from the SBRC for personnel costs that would normally be accounted for in the General Fund if the costs were additional costs as a direct result of the natural disaster. The SBRC will determine what costs, if any, will qualify for a modified supplemental amount.

**Question:** When can the district make an SBRC request?

**Answer:** If a district has a documented record of costs directly related to the natural disaster, it can make the request when final actual costs are known, and all FEMA reimbursements and lawsuits are complete or outcomes known.

**Question:** What are the requirements for the district to levy for an emergency levy?

**Answer:** The district board must first seek the permission to levy for the emergency levy from the state appeal board before entering the levy on its certified budget. The

purpose of the levy must be to pay costs associated with an event that meets the definition of a disaster and which are incurred within two years of that disaster.

**Question:** How can the emergency levy be used?

**Answer:** Upon the written approval of the SBRC, the school district may transfer money from the emergency levy fund to any other fund of the district for the purpose of meeting deficiencies in a fund arising within two years of a disaster as defined in section 29C.2, subsection 1, as a direct result of that disaster.

**Question:** What documentation would the SBRC require to be submitted by the district related to transferring the funds from the emergency levy fund?

**Answer:** The exhibits submitted to the SBRC to transfer funding should include a copy of the state appeal board approval to implement the levy, a description and date of the disaster, itemized budget of costs, including total costs, anticipated revenues to offset that cost from sources such as, but not limited to, FEMA, insurance or lawsuit proceeds. Include correspondence from FEMA or insurance on coverage and payment. Include an itemized statement of how much of the balance in the emergency levy fund is requested to be transferred to which other fund/s to pay which expenditures. If the transfer is to pay all remaining expenditures from the itemized budget exhibit, then so state.

**Question:** Can the district request to use its General Fund unexpended fund balance for a disaster?

**Answer:** Yes. Iowa Code gives the SBRC authority to authorize a district to spend a reasonable and specified amount from its unexpended fund balance for the costs associated with the demolition or repair of a building or structure in a school district if such costs are necessitated by, and incurred within two (2) years of, a disaster.

**Question:** What documentation does a school district need to provide to the SBRC regarding requests for to use the General Fund unexpended fund balance (a.k.a. secretary's balance) for costs related to natural disasters?

**Answer:** The district will need to provide an itemized list of the costs it has incurred as part of its exhibits to the SBRC. Contact the SBRC liaison for more information. The SBRC guidance on exhibits includes:

- Do not request use of the unexpended fund balance until all final actual costs are known and after insurance and FEMA reimbursements are known and lawsuits are complete.
- Describe the disaster including date of occurrence.
- Include a budget of itemized total costs exclusively related to the natural disaster, revenues/budget authority provided through FEMA, insurance, lawsuits, and other categorical resources, and the balance of costs for which this request is made. The balance should reflect the unduplicated actual costs not covered by other sources.

- Include a statement that no costs accounted for in a fund other than the General Fund have been included in the budget submitted.
- If the district made no effort to recover costs through FEMA, insurance, lawsuits, or other appropriate means, explain why.
- Identify other available funding sources (PPEL, SAVE, GO bond capital projects) the district has other than the General Fund. Costs that could be paid from the loan proceeds, tax levy, SAVE proceeds, or bond proceeds shall come from those revenues instead of the General Fund. If the district is not using those revenues for the purpose of the request to the SBRC, explain why.
- If the interfund transfer necessary to implement the SBRC-approved use of the unexpended General Fund balance will result in a negative fund balance in the General Fund, explain how the district intends to restore the fund balance in the General Fund to a healthy fund balance.
- Any amount not used for the project as approved by the SBRC must be returned to the unexpended fund balance in the General Fund.
  - The district is required to give a final accounting of expenditures and the amount of the unexpended fund balance that was actually used for the purposes for which approved by the SBRC, and the amount of any funding being returned to the unexpended balance because it was not needed for the purpose granted.
- Do not include in a request for use of unexpended fund balance any amount to reimburse PPEL, SAVE, or other capital fund for facility repairs because those costs would not be allowable from General Fund money.

**Question:** Can the SBRC authorize facility demolition costs related to natural disasters?

**Answer:** Yes. The SBRC can authorize a district to use its General Fund unexpended fund balance for facility demolition costs if the costs are incurred within two (2) years of the disaster and are necessitated because of the disaster.

## AEAs and Juvenile Home Classrooms

**Question:** In what fund will recovery effort costs related to Juvenile Home classrooms be recorded?

**Answer:** Area education agencies (AEAs) will record activity related to the Juvenile Home classrooms in the Juvenile Home Fund.

**Question:** For Juvenile Homes, what are the classroom expenditure limitations to replace furnishings, equipment, and supplies destroyed in the natural disaster?

**Answer:** The continuing classroom limitations would apply. However, the AEA can request a waiver for the additional expenditures due to the disaster recovery. To do so, the AEA will submit a letter or email requesting a waiver of Rule 281-63.18(1)"d" for maximum classroom costs and will need to provide an itemized list of costs it has incurred due to the disaster. The maximum waiver amount allowable is for the maximum

amount for an existing classroom plus the additional costs due to the flood, but not more than the maximum allowed for a new classroom. The AEA will not automatically be allowed the amount for a new classroom.

**Question:** For Juvenile Homes, are classroom expenditures related to natural disasters considered at gross amount or net after insurance claim proceeds deducted?

**Answer:** These expenditures are considered gross. However, AEAs will report any revenues received related to these expenditures in the Juvenile Home Fund, which reduces the amount financed by the state Juvenile Home Advance Funding.

**Question:** For Juvenile Homes, are there waivers for considering a continuing classroom to be a new classroom if everything must be replaced due to natural disasters?

**Answer:** No.

## Transportation

**Question:** What avenue of financial resources is available for vehicle repair and/or replacement outside of district funds if a school district has incurred vehicle losses due to weather related issues (flooding, hail, wind damage, tornado)?

**Answer:** Contact the school district insurance carrier to determine if weather related losses could be covered under the insurance policies. Also contact FEMA regarding eligibility for available funding.

**Question:** Can a school district rent or lease school buses from a neighboring school district, when the district's school bus fleet suffered damage due to flooding and a tornado, until the replacement and/or repaired vehicles are received?

**Answer:** Yes. A written document signed by both districts specifying duties and responsibilities of each should be written and on file. The receiving district would be required to letter the school bus according to Iowa School Bus Construction Standards, IAC 281-44.4(20) Identification, paragraph b. "The bus, whether school-owned or privately owned, shall have displayed at the beltline on each side of the vehicle the official name of the school in black standard unshaded letters at least five inches, but not more than seven inches high." Example: Blank Community School District.

**Question:** Can the district exceed riding time if due to flooding, several bridges have been washed out on the school district's bus routes. This requires the district to travel several additional miles to pick up students.

**Answer:** The district can exceed riding time only with the approval of a waiver from the Director of the Department of Education. Iowa administrative rule 281--43.1(3) limits the

one-way ride time for elementary students to 60 minutes and for secondary students to 75 minutes. Several districts may need to redraw transportation routes due to roads compromised by flood waters, and this may lead to a legitimate need to lengthen bus routes. Districts may request a waiver from the Director of the Department of Education from rule 43.1(3), and must request the waiver if the district knows that ride time will exceed the 60/75 minute limits. To submit a waiver request, the superintendent of an affected district will send an email or letter to the Director that includes the following information:

1. The name, address, and phone number of the district.
2. A description and citation of the specific rule from which a waiver is requested.
3. The number of bus routes for which a waiver from rule 43.1(3) is sought, and the total number of bus routes run by the district.
4. The total number of routes the district has.
5. The size of bus fleet and whether it has changed from the previous year.
6. The number (reasonable estimate) of students on each affected bus.
7. A brief explanation of why the waiver is necessary; that is, why no other steps can be taken to ensure that ride times are not exceeded.
8. The length of time for which the waiver is requested. If more than a full school year, include an explanation.
9. An assurance that instructional time is not impacted by the increased ride time. In other words, include a statement to the effect that the ride time waiver is necessary in part to ensure classroom time for students is not reduced.
10. An assurance that no student (includes nondisabled students) will be prejudiced by the additional ride time. If students with IEPs or 504 plans are affected, ensure that they are not adversely impacted. If such a student would be harmed by the additional ride time, include a statement about alternative plans for such student.
11. A signed statement from the district attesting to the accuracy of the facts provided in the waiver request.
12. The name, address, and phone number of any person or entity that would be adversely affected by the granting of the waiver.
13. Signed releases of information authorizing persons with knowledge regarding the waiver request to furnish the Department with information relevant to the waiver.