



## CASE STUDY – TEACHING NOTES

### Leveraging Financial Resources

TOWN OF LYONS, COLORADO: 2013 Flooding

**Learning Objective:** Review a small town’s approach to financial management following a major disaster and analyze Colorado’s proactive approach to prepare town staff for audits and other financial compliance requirements.

**Keywords:** Recovery, Flood, Local Government, Disaster Financial Management, Equity, Procurement, Staffing, Identifying and Leveraging Resources

#### Instructor’s Introduction

This Teaching Note is intended to prepare an instructor to use this case study in a classroom (live or virtually). The note expands on the lessons learned in this case study, intended to help disaster management students learn from a real-world disaster recovery experience. Selection of learning objectives, discussion questions, and activities can be customized based on audience and time allowance. It is suggested that students read the Background and Challenges sections (Part One) and pause to discuss the scenario and complete part one activities, before moving on to read the Actions, Results, and Lessons Learned sections (Part Two).

This case study describes lessons learned by the administration of a small town after they experienced a catastrophic flooding event.

To become more familiar with relevant concepts before teaching the case, please review the following:

- [National Disaster Recovery Framework](#)
- [FEMA Disaster Financial Management Guide](#)

#### Student Learning Outcomes:

- Examine challenges stemming from a lack of local familiarity with federal procurement processes and requirements for disaster recovery grant programs.
- Consider the state’s role in setting local jurisdictions up for successful recovery after an incident.
- Become familiar with federal and state capacity building and technical assistance opportunities that can help local governments overcome post-disaster financial management learning curves.

#### Key Takeaways:

- Liquidity is essential to kickstarting recovery efforts after a disaster. State governments can expedite recovery timeframes by providing procurement/grants management technical assistance and upfront funds for communities facing a complex recovery process, according to their laws that govern raising revenue.
- State-led technical assistance and federal procurement advice can help small communities that are inexperienced with disaster recovery remain in compliance with federal requirements, improving equitable access to available programmatic and grant funding for recovery
- Lyons administrators note that taking a proactive approach to grants management and more than tripling its administrative staff early on with state support enabled the town to meet its recovery objectives.

### Part One Discussion Activities

### Discussion Questions:

1. Do you think that the challenges the Town of Lyons experienced regarding financial management capacity and lost revenue are unique after disasters? Are there any recent disaster operations that you've experienced or heard of where there might have been similar challenges?

*Teaching Note: Many local, tribal, and territorial governments face similar challenges with managing the federal requirements for post-disaster recovery grants and almost all experience some loss of revenues that make kickstarting the recovery process difficult. Recent examples might include Paradise, California after the Camp Fire, Northern Marianas Islands after Typhoon Yutu, or any local government managing CARES Act funds during COVID-19 recovery.*

2. Why are grants management and procurement regulations important concepts? What are the potential long-term consequences for a community that lacks these skills in the aftermath of a large disaster?

*Teaching Note: Answers may include, but are not limited to, presents a barrier to qualify for and receive state and federal recovery grants, impairs ability to fund and finance recovery projects, economic prospects suffer for residents, residents are unable to access restored basic infrastructure systems or reopen businesses, inequalities are exacerbated, etc.)*

3. Based on what you have read in Part One, if you were a state government that just received a presidential disaster declaration, how would you try to ensure local jurisdictions would not have to face an Office of Inspector General “claw back” of recovery funds in the future?

*Teaching Note: Answers may vary but could suggest state coordinated technical assistance or emergency funding being provided to local governments within the first few months after a disaster. Creativity should be encouraged. A facilitated discussion of answers would benefit from discussing the role of state governments in accordance with the National Disaster Recovery Framework (2<sup>nd</sup> edition, pages 17-20).*

## Part Two Discussion Activities

### Discussion Questions:

1. How could a state, tribal, territorial, or local government prepare itself to manage disaster recovery grants? What mechanisms could an authority put in place in anticipation of future disasters that could make them more ready to manage and utilize federal recovery resources?

*Teaching Note: Answers will vary, but some examples include:*

- *pre-disaster recovery planning (for [state](#), [territorial](#), [tribal](#), and [local](#) governments),*
- *establishing emergency funds,*
- *designating disaster coordination structures,*
- *taking recovery grants management, [procurement](#), or planning/coordination [trainings](#),*
- *participating in disaster recovery exercises,*
- *learning about the [federal procurement policies](#) that apply to your organization,*
- *[establishing written procurement procedures, researching and creating pre-qualified lists of vendors, consider entering into pre-positioned contracts,](#)*
- *establishing mechanisms for hiring surge staff and contractors post-disaster, or*
- *considering parametric insurance.*

*For more information on resources available to help local governments build grants management capacity, see the [Local Government Solutions Grants Management Capacity Guide \(fema.gov\)](#).*

2. The State of Colorado helped the Town of Lyons connect with a diverse array of financial and technical assistance, as noted on page 3 of the case study. What FEMA teams can help state, tribal, and territorial governments identify and manage available financial resources?

*Teaching Note: Federal recovery assistance is complex, but communities don't need to try to navigate it alone. It's important for students to realize that in the case of a presidential disaster declaration, and for some extenuating non-declared incidences, FEMA can support the jurisdictional government in resource identification and coordination, which can be particularly challenging for governmental authorities with little recent disaster experience. The following teams are some of those that can be deployed to assist with financial resource identification on active disaster operations. There are also [regionally-based FEMA offices](#) that can assist with grants management compliance questions. FEMA Interagency Recovery Coordination teams and [Recovery Support Functions](#) utilize interagency relationships and the [Disaster Resource Library](#) to identify a wide variety of funding and technical assistance opportunities available from federal, academic, private, and non-profit sources that can help address diverse recovery needs. [FEMA Public Assistance](#), [Public Assistance 406](#), [Hazard Mitigation](#), and [Individual Assistance](#) personnel are available to answer questions and build capacity to manage these FEMA grant programs eligible for governmental authorities to manage. [FEMA Voluntary Agency Liaisons \(VALs\)](#) can help connect and coordinate efforts among voluntary, faith-based, and community partner organizations. [FEMA Environmental Planning & Historic Preservation \(EHP\)](#) teams can help jurisdictional governments comply with federal environmental planning and preservation requirements as they plan recovery projects.*

### Activity 1: Federal Disaster Recovery Procurement Roadblock Clearing

**Duration:** 20 – 25 minutes

**Setup:** Students should work in small groups of 2 – 4, depending on class size.

**Instructions:** The purpose of this activity is to help groups become familiar with federal procurement requirements and . Review the [Top 10 Procurement Under Grants Mistakes \(fema.gov\)](#) flyer. Select three of the top 10 procurement mistakes and work with your team to write down an example of how a local government could avoid that mistake. You may utilize the Fact Sheet: [Key Points for Non-State Entities on How to Avoid the Top 10 Procurement Under Grant Mistakes \(fema.gov\)](#) to assist you.

**Discussion:** After the students have had 15 minutes to work independently or in small groups on this, bring the class back together to discuss their findings and the implications.

### Follow up with the FEMA Guidance Development Office

The Guidance Development Office (GDO) develops and distributes FEMA's Interagency Recovery Coordination (IRC) case studies. Our team would appreciate your feedback on these case studies and accompanying teaching notes. Please let us know how you have used this case study for a learning experience and your thoughts on what went well or could have been improved. To get in contact with our team, email [FEMA-RECOVERY-ICD-GDO@fema.dhs.gov](mailto:FEMA-RECOVERY-ICD-GDO@fema.dhs.gov).