



# IMPACT AID

## *An Overview*

**Presented by:**  
**National Association of Federally Impacted Schools**

# NAFIS



- ❖ Founded in 1973
- ❖ Non-profit, non-partisan association of Impact Aid recipient school districts

## Mission:

- ❖ Educate Congress, the Administration about Impact Aid
- ❖ Provide technical assistance to school districts and Congress
- ❖ Advocate for Impact Aid funding and policy (ESEA Title VIII)
- ❖ Serve as umbrella organization for subgroups

# Examples of “Federal Impaction”



- Military installation
- Indian Trust, Treaty, Alaska Native Claims Settlement land
- Federal low rent housing facilities
- Soldiers and Sailors Relief Act
  - ❖ Military personnel may be exempt from vehicle/personal property/local taxes
- Civil service activities
  - ❖ VA Hospitals, Federal laboratories, prisons
  - ❖ Federal parks, forests, grasslands

# What's the Impact on Public School Districts?



House Education and Labor Committee report found that Federal impaction creates two problems:

- 1.) Federal ownership of property reduces local tax income for school purposes.
  - 2.) A Federal project/activity causes an influx of people into a community, resulting in an increased number of children needing an education.
- ❖ Since the land is tax exempt, the federal government has not accepted “the responsibility of the normal citizen in a community” to meet its financial obligation to support public schools.

## Impact Aid



The Federal Government assists public schools in addressing challenges at the local level (poverty, illiteracy etc.)

The financial challenges of federally impacted schools were **caused by the Federal Government**

**Impact Aid is the Federal Government's obligation**

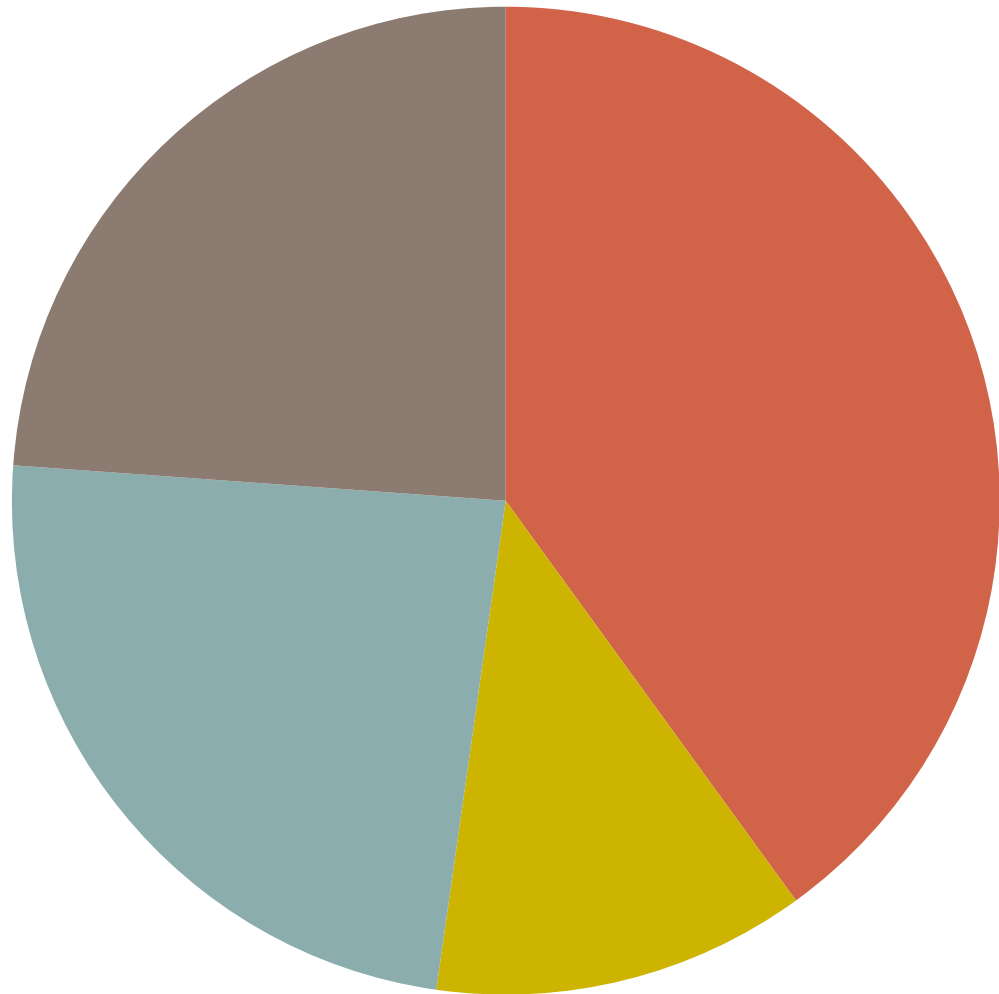
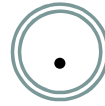
Impact Aid is like Uncle Sam's tax bill

# Impact Aid



- ❖ Signed into law in 1950
- ❖ Administered by the U.S. Department of Education (Title VIII of ESEA)
- ❖ Payment in lieu of taxes that goes directly to school districts
- ❖ Impact Aid may be used for any general fund purpose (salaries, curriculum materials, technology, bus fleets, etc.)
- ❖ 1,400 school districts

# 940,000 “Federally Connected Children” Nationwide 1,300 districts w/total enrollment of over 11 million students



- Military (376,441)
- Indian Lands (115,172)
- Low Rent Housing (224,859)
- Civilian (224,468)

# Top Ten States



## Impact Aid Funding

1. Arizona
2. Alaska
3. Texas
4. New Mexico
5. California
6. South Dakota
7. Montana
8. Washington
9. New York
10. Hawaii

## Federally Connected Children

1. Virginia
2. New York
3. Texas
4. California
5. Florida
6. North Carolina
7. Arizona
8. Maryland
9. Washington
10. Georgia



# Impact Aid Has Five “Pots of Money”



## **§ 8002- FEDERAL PROPERTY**

payments to LEAs with a large percentage of federal property

## **§ 8003 (b)- BASIC SUPPORT**

payments for federal students

## **§ 8003 (d)- DISABILITY**

payments for federal students with disabilities

## **§ 8007- CONSTRUCTION**

payments to heavily impacted LEAs for capital/construction needs

## **§ 8008- DoED FACILITIES**

payments to LEAs to maintain facilities owned by DoED

## Section 8002 pays for LAND



- When the Federal Government takes ownership of land, the property comes off of the tax local rolls.
- There are still just as many students to educate, but with greatly reduced tax revenues.
- As a result, a greater financial burden falls on the shoulders of the local taxpayers!

## Section 8002 Eligibility



- The property must have been acquired by the Federal Government after 1938; and
- The value of the property at the time of acquisition must have been at least 10% of the total value of property within the school district.
- The value of the land is determined by a local assessor based on the “highest and best use” of what the federal property would have become if it wasn’t federal.

# Section 8003 pays for Federal STUDENTS



## Children of:

- Military personnel
- Civil Service employees
- Others who work on federal land (e.x. park rangers)

## Children whose parents live in/on:

- Indian Trust and Treaty Lands
- Low rent housing facilities (not Section 8 HUD)

A district may have one or multiple types of federal students.

## Section 8003 (d)- Disability



Payment for Indian Land and military students (in addition to Basic Support) with disabilities that have an IEP on file.

These funds *must* be spend on an IDEA eligible activity.

# Section 8007 - Construction



## 8007 (a) Formula Grants

For Heavily Impacted Districts (50% enrollment Indian Land or Military) to meet capital/construction needs of federal students

## 8007 (b) Discretionary Grants

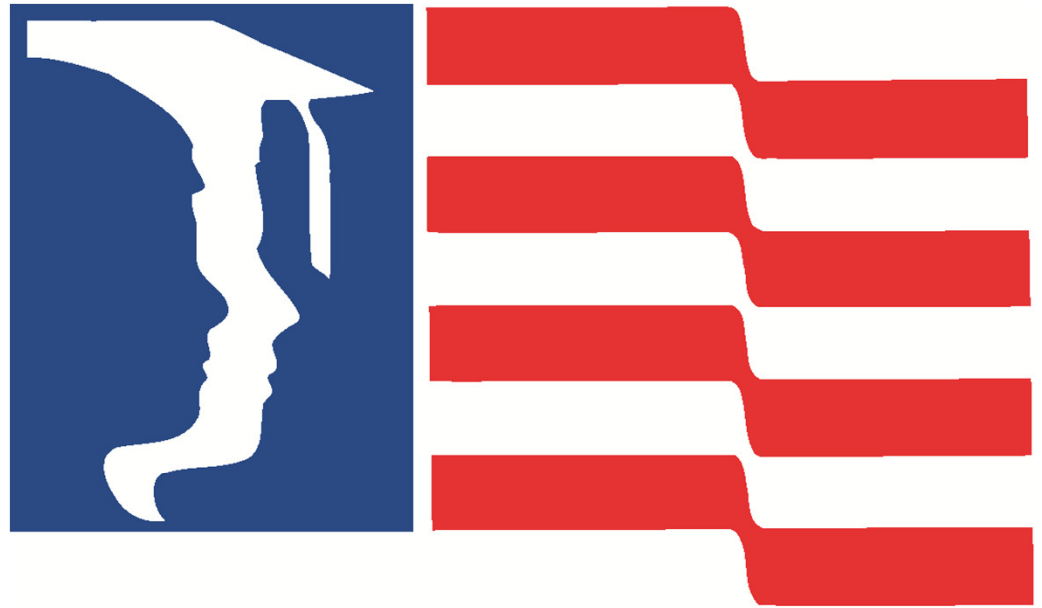
# Section 8008 - Facilities



Payments to LEAs using buildings owned by the  
Department of Education for maintenance and repair



**THANK  
YOU**



**NAFIS**

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