



# IMPACT AID

## *An Overview*

**Presented by:**

**National Association of Federally Impacted Schools**

# NAFIS



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

## Mission:

- ❖ Educate Congress and the Administration on Impact Aid
- ❖ Provide technical assistance to school districts and Congress
- ❖ Coordinate with the House & Senate Impact Aid Coalitions
- ❖ Serve as an umbrella organization for four subgroups

# Impact Aid Coalition



House Impact Aid Coalition created in 1995 by Representatives Edwards (D-TX) and Saxton (R-NJ)

- 113<sup>th</sup> Congress: 93 members

Senate Impact Aid Coalition created in 1996 by Senators Hutchison (R-TX), Johnson (D-SD), and Murray (D-WA)

- 113<sup>th</sup> Congress: 36 members

# Examples of “Federal Impaction”



- Military installation
- Indian Trust, Treaty, or Alaska Native Claims Settlement Act land
- Federal low rent housing facilities
- Soldiers’ and Sailors’ Civil Relief Act
- Civil service activities:
  - ❖ VA hospitals, laboratories, prisons, parks

# What's the Impact on Public School Districts?



House Education and Labor Committee report found two distinct 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.

## Education & Labor Cmte Report:



*“Without continued federal help, more than 1.8 million children in these federally impacted areas would not receive normal school services....The U.S. has become an industrialist, landlord, or a businessman in many communities.”* Since the land is tax exempt, the federal government has not accepted “the responsibility of the normal citizen in a community. . .”

# Impact Aid



- ❖ Signed into law in 1950
- ❖ Administered by U.S. DoED (Title VIII of ESEA)
- ❖ Efficient: Every dollar appropriated by Congress goes directly to school districts
- ❖ Flexible: The use of Impact Aid is determined locally. Funds are used for materials, technology, transportation, staff support, etc.)
- ❖ By Federal law, states cannot consider Impact Aid when calculating state aid (except AK, KS, NM)

# (1) Section 8002 pays for LAND



- When the Federal Government takes ownership of land, the property comes off the tax local rolls.
- As a result, a greater financial burden falls on local taxpayers, including for education.
- Army Corps of Engineers projects, national forests grasslands and laboratories, DoD activities
- 230+ school districts
- FY 2015 funding level: \$66,813,000

# Section 8002: Federal Properties



## Eligibility

- Property acquired after 1938
- Property at the time of acquisition must be at least 10% of the taxable property in the school district

Ex: 1939 Fed Gov't acquires 7% of taxable property in school district = not eligible

1943 Fed Gov't acquires additional land equaling 4% of taxable property in school district  
(7% + 4% = 11%) = eligible

## Top States – Funding

- 1.) California
- 2.) Texas
- 3.) Illinois
- 4.) Michigan
- 5.) Colorado
- 6.) New Jersey
- 7.) South Dakota
- 8.) New York
- 9.) Pennsylvania
- 10.) Virginia

## (2) Section 8003 pays for STUDENTS



### Funding

### FCCs

### Formula

- |                 |                   |
|-----------------|-------------------|
| 1. Arizona      | 1. Virginia       |
| 2. Alaska       | 2. New York       |
| 3. Texas        | 3. Texas          |
| 4. New Mexico   | 4. California     |
| 5. California   | 5. Florida        |
| 6. South Dakota | 6. North Carolina |
| 7. Hawaii       | 7. Arizona        |
| 8. Montana      | 8. Maryland       |
| 9. New York     | 9. Washington     |
| 10. Washington  | 10. Georgia       |

Payments based on:

- 1.) Number (over 400 or 3%) and type (weight) of students
- 2.) Average per pupil expenditures
- 3.) Level of Appropriations

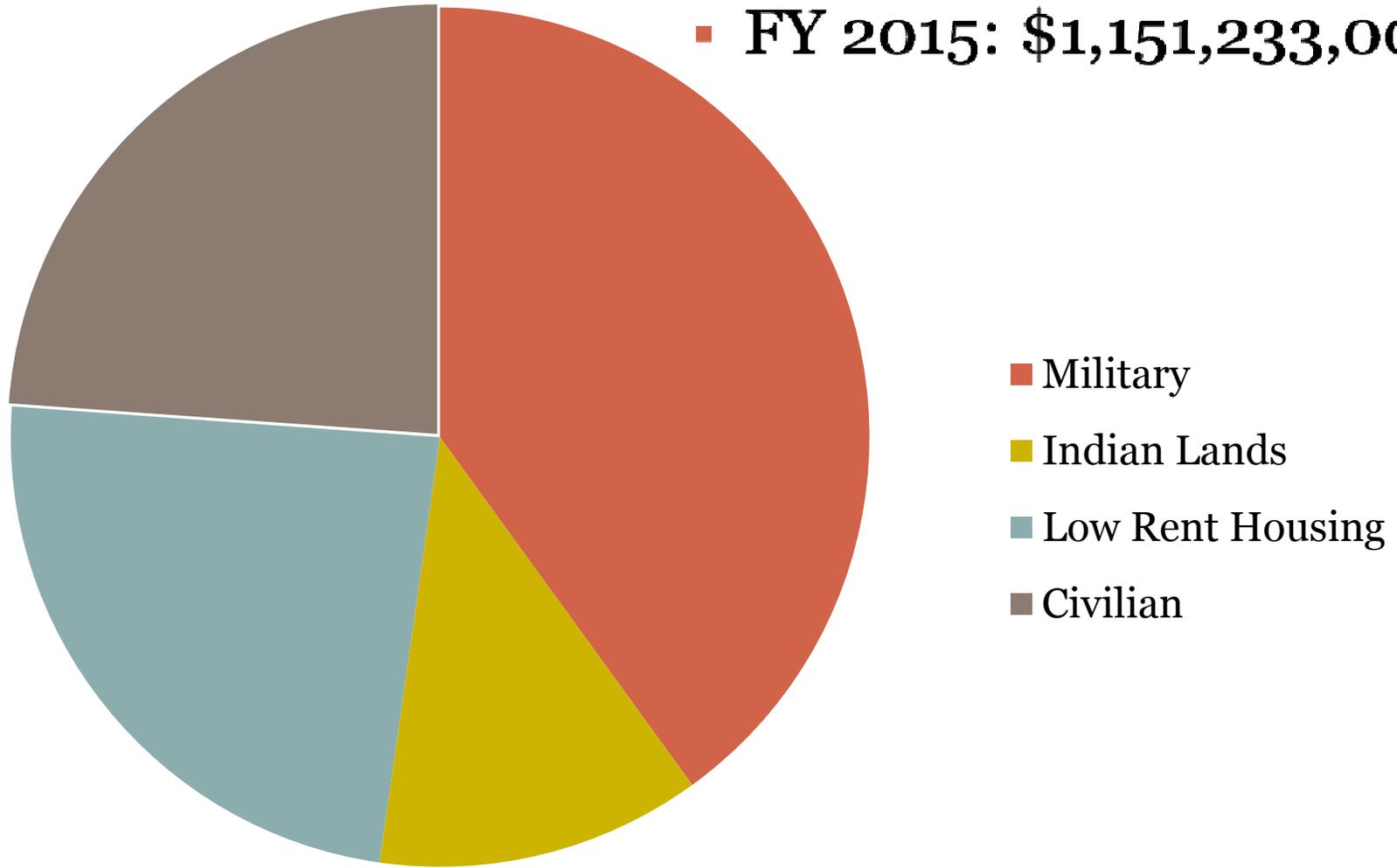
A “NEED BASED” proration (LOT) targets dollars based on:

- 1.) % of federal students
- 2.) % Impact Aid maximum payment of school district’s budget

980,000 Federally Connected Children  
1,100 districts enrolling over 11 million students



■ **FY 2015: \$1,151,233,000**



## (3) Section 8003(d): Disability



**FY 2015: \$48,316,000**

Additional payment for Indian land and military students with an active IEP

Funds *must* be spent on an IDEA eligible activity

# (4) Section 8007: Construction



**FY 2015: \$17,406,000**

8007(a) Formula Grants: For Heavily Impacted Districts (50% enrollment Indian land or Military) to meet capital/construction needs

8007(b) Discretionary Grants: 12-15 grants per funding cycle with priority given to districts with little to no bonding capacity for emergency repairs

# (5) Section 8008: Facilities



**FY 2015: \$4,835,000**

Payments to LEAs using buildings owned by the Department of Education for maintenance and repair. Currently 12 remaining facilities in six school districts.



## 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

# Contact Information



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