



IMPACT AID

Presented by:

National Association of Federally Impacted Schools

February 22, 2012

What is Federal Impaction?



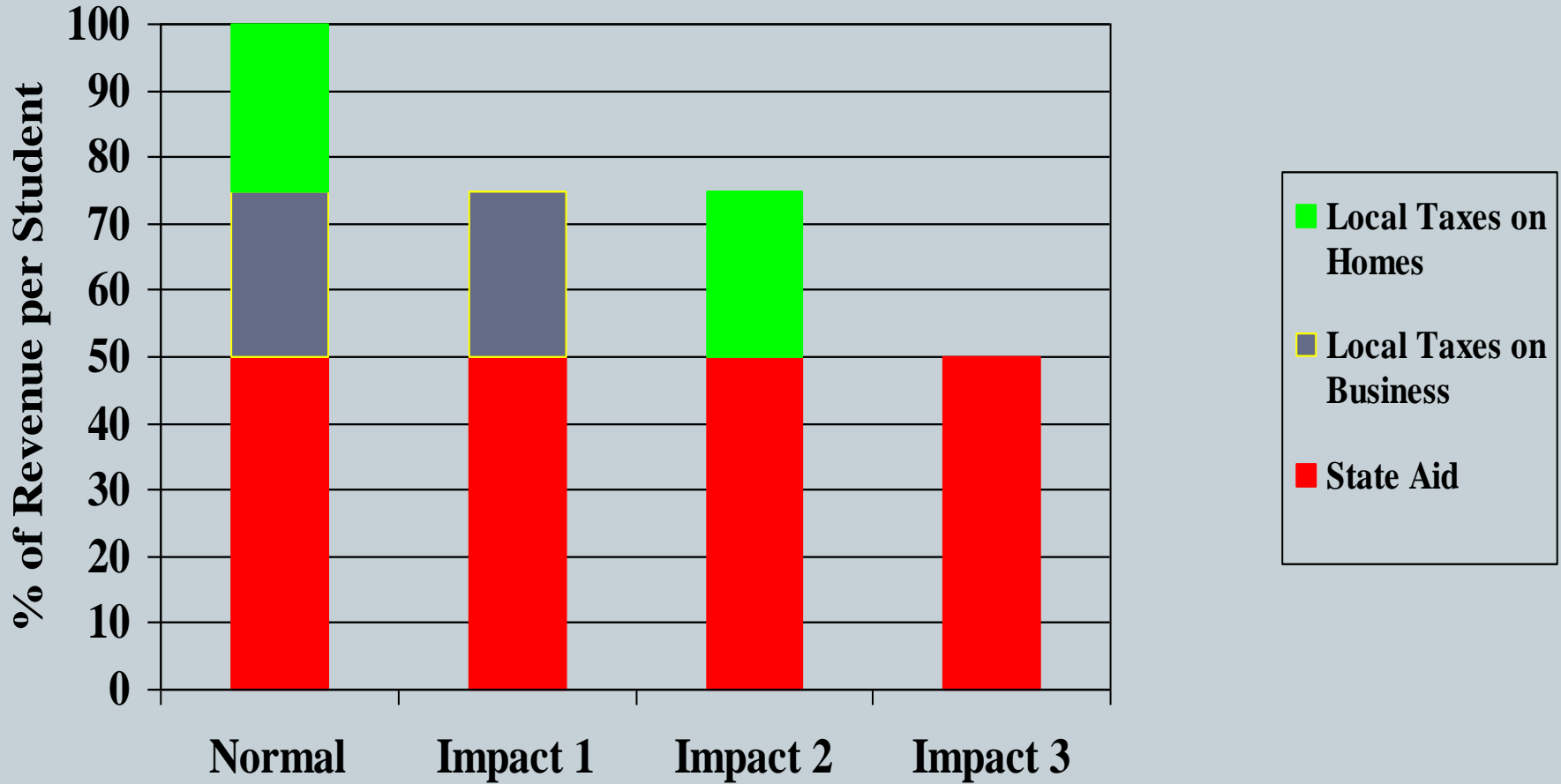
- Military Base
- Indian Trust, Treaty land, Alaska Native Claims Settlement Act
- Federal Low Rent Housing Facilities
- Civil Service Activities
 - ❖ VA Hospitals
 - ❖ Federal prisons
 - ❖ Federal parks, forests, grasslands

What's the Impact on Local Schools?



- Non-local students brought into the area; and
- Due to Non-taxable status of federal land, the ability of the school to raise revenue is reduced
 - ❖ Federal ownership of homes
 - ❖ Federal ownership of places of work
 - ❖ Indian Trust and Treaty lands
- Due to Soldiers and Sailors Relief Act, military personnel may be exempted from vehicle/personal property taxes

What's the Impact on Local Schools?



Education & Labor Cmte Report to Congress



Federal impaction creates two types of problems:

- 1.) Federal ownership of property reduces local tax income for school purposes
- 2.) A federal project or activity causes an influx of people into a community, resulting in an increased number of children needing an education.

Impact Aid: An Obligation to Local Communities



- *“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*” to meet its financial obligation to support public schools under the existing states school finance laws.
- Signed into law in 1950 by President Truman

Impact Aid: Unique

Federal Gov't assists 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 tax obligation -
(Uncle Sam paying his tax bill)



Impact Aid: Efficient and Flexible



- Every dollar appropriated by Congress goes to school districts - no state involvement
- Funds have no specific restrictions. Their use is determined locally
- By Federal law, states cannot consider IA when calculating state aid (except equalized states - AK, KS, NM)

Impact Aid Has Five “Pots of Money”



8002- FEDERAL PROPERTY

8003 (b)- BASIC SUPPORT

8003 (d)- DISABILITY

8007- CONSTRUCTION

8008- FACILITIES

Section 8002 pays for LAND



If the Federal Gov't takes ownership of land, there are still just as many students to educate, but with greatly reduced local revenue.

Without Impact Aid, a greater financial burden falls on the shoulders of local taxpayers!

- **Type of Land:** Army Corps of Engineers projects (flood control, dam construction); forests; grasslands; land acquired by DoD for weapon testing; environment dumps; expansion or construction of military bases, i.e. Air Force Academy and Department of Energy research facilities.

Section 8002 Eligibility



- Property must have been acquired by the Federal Gov't after 1938; and
- Property value must have been at least 10% of the total assessed value of taxable property within the district

Ex:

1939 Federal Gov't acquires 7% of the assessed taxable property in school district = not eligible

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

Section 8002



Number of districts: **235**

FY 2012 funding level: **\$66,947,230**

Eligible districts receive a payment in lieu of taxes based on the assessed dollar value per acre of taxable land

Section 8003 pays for Federal CHILDREN



Children of:

- Military personnel
- Civil/diplomatic service employees³³
- Others who work on federal land (e.x. park rangers)

Children whose parents reside on:

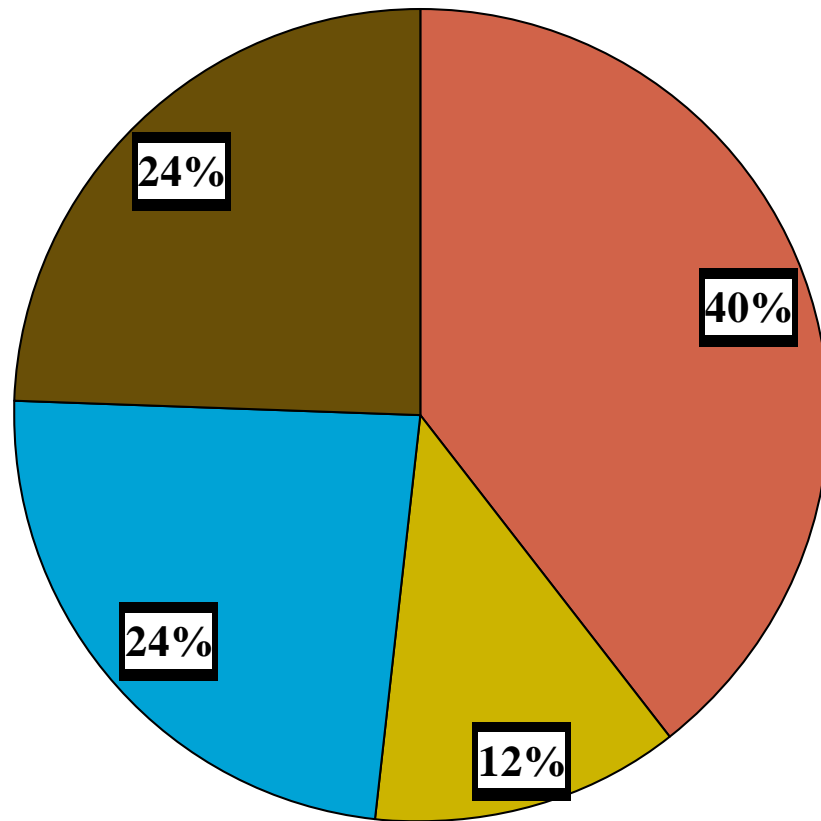
- Indian Trust/Treaty land
- Federal low rent housing (not Section 8)

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

HOW MANY FEDERAL KIDS?



About 938,730 federal (11 million total enrollment)



- Military-372,229**
- Indian Lands-112,708**
- Low Rent Housing-226,520**
- Civilains-227,274**

Section 8003



Number of districts: **1,259**

FY 2012 funding level: **\$1,153,539,682**

Payments are based on a formula that considers:

- 1.) Number and type of students in the program
- 2.) Average per pupil expenditures
- 3.) Level of Appropriations

A “NEED BASED” proration (called LOT) is used to target dollars since Impact Aid isn’t fully funded

Section 8003 (d)- Disability



Payment for Indian land and military students eligible under the Individuals with Disabilities Education Act

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

Section 8007 - Construction



8007 (a) Formula

- Helps districts - with large numbers of military and Indian lands children - meet capital/construction needs

8007 (b) Discretionary grant competition

- 12-15 grants per funding cycle with priority given to districts with little to no bonding capacity for emergency repairs

Section 8008 - Facilities



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

Impact Aid: Review



Provides financial assistance to districts that are impacted by federal activities

- Federal ownership of land (removing it from the tax rolls); and/or
- Enrollment of federally connected children

Impact Aid is a Federal Obligation

Impact Aid Coalition HISTORY



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

❖ 113th Congress: 93 members

Senate: 1996 Senators Hutchison (R-TX), Johnson (D-SD), and Murray (D-WA) created the Senate Impact Aid Coalition as a partner to the House entity

❖ 113th Congress 36 members

Impact Aid Coalition



MISSION:

STRENGTHEN THE IMPACT AID PROGRAM

**EDUCATE MEMBERS OF CONGRESS ON
THE IMPACT AID PROGRAM'S MERITS**

NAFIS



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

Mission:

- Educate Congress and the Administration on the importance of Impact Aid
- Provide technical assistance to districts and Congress
- Advocate for funding and ESEA reauthorization
- Serve as umbrella organization for subgroups