



National Association of Federally Impacted Schools

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August 3, 2017

Mr. Joe Conaty

Delegated the functions and duties of the Deputy Secretary & Co-Chair of the Agency Reform Taskforce
US Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Mr. Conaty,

On behalf of the National Association of Federally Impacted Schools (NAFIS), we write in response to the request for recommendations from the Agency Reform Taskforce.

NAFIS represents the school administrators and school board members of the 1,200-plus Impact Aid-recipient school districts nationwide that educate over 10 million students. Impact Aid is the oldest elementary and secondary education program and its purpose is to reimburse school districts for a loss of local revenue due to the presence of non-taxable Federal property such as military installations, Indian Treaty, Trust, or Alaska Native Claims Settlement Act lands, Federal low-income housing facilities, national parks and laboratories. Congress recognized in 1950 that the Federal Government had an obligation to help meet the local responsibility of financing public education in these communities. That same recognition holds true today.

Impact Aid Office Staffing and Support

Adequate Staffing: The staff in the Impact Aid program office work hard each day to provide great customer service and detailed one-on-one technical assistance to school districts, and to ensure funding is disbursed in a timely manner. We urge you to prioritize the office's staffing and internal capacity needs by filling several open positions as quickly as possible.

Travel Budget: The Impact Aid application process is complicated, and school districts benefit from direct interaction and updates from Impact Aid program staff. Customer service and support to federally impacted school districts must include funding staff travel to provide in-person technical updates at conferences and to conduct audits.

Intra-agency and inter-agency coordination: We urge better intra-agency coordination regarding policies and activities that impact federally connected students. The expertise of the Impact Aid program office in working directly with federally impacted communities is often underutilized. For example, the ESSA implementation team and various outreach offices should solicit input from the Impact Aid program office in developing guidance, providing technical assistance, and defining communications strategies when the interests of federally connected students (such as military connected or Indian lands students) or communities (such as rural communities) are at stake.

THE NAFIS FAMILY

MISA

Military Impacted
Schools Association

NIISA

National Indian Impacted
Schools Association

FLISA

Federal Lands Impacted
Schools Association

MTLLS

Mid-to-Low-LOT
Schools

In addition, we urge you to use this opportunity to further streamline the application process for Federal Properties school districts. We recommend a process similar to the one used by the Department of Interior to distribute annual PILT funding, whereby the local county does not need to submit a yearly application if the status of Federal property within the county has not changed.

We recommend improved inter-agency coordination on behalf of the Impact Aid program office to streamline the process for researching and verifying information for the application. For example, the Secretary of Education could distribute a Dear Colleague letter to other Federal agencies (i.e. Departments of Defense, Interior, House and Urban Development, etc.) informing them that the data requests their staff may receive are in fact related to the Impact Aid application. We hear frequently that school districts risk a loss of funding because military installation or HUD officials are unfamiliar with the program and hesitant to approve documentation that the school district is required to submit. The administrative burden to prove to one Federal agency that the property in their community is owned by another Federal should not fall solely on the school district.

Impact Aid Office Technology

The Impact Aid Program office's technology infrastructure for tracking applications, disbursing funds, and communicating with federally impacted school districts is antiquated. The office disburses more than \$1 billion directly to school districts; we cannot afford a glitch or inadvertent shutdown in the system. School administrators would greatly benefit from an updated system to manage their application and payment vouchers that will allow them to monitor the payment timeline, and streamline the communications process. A modernized system would better protect school district payment and student data that is transferred electronically through the audit process.

Electronic Data Count

Our members support the updated regulation allowing a third option to count students within the Basic Support program. The Impact Aid office's establishment of the Electronic Data Count (EDC) pilot is a first step toward modernizing the application process away from an antiquated paper-and-pencil system. We encourage the Department to codify that school districts may rely on student information systems or other technology to assist with the count and audit of federally impacted students – as long as they meet the criteria for counting students. As the Department continues to implement the pilot, we encourage the Department to review the current regulations – such as changing the survey date – to determine if changes are appropriate to better align with an electronic count. We believe that using student registration data for the application has the necessary safeguards in place to ensure an accurate and auditable count. The potential to significantly reduce the administrative burden for schools and parents is enormous.

Funding

Impact Aid funding is efficient and flexible. Each year, congressional appropriations flow directly from the Impact Aid program office to school districts, bypassing state involvement. Locally elected school board members and appointed district leaders make decisions on how to use these dollars for any general fund purpose. Impact Aid funding is not supplemental. Because Impact Aid is a replacement for lost local tax revenue, when Impact Aid funding is stagnant or funding is cut, local taxpayers have to increase their tax burden or students go without. Some states cap tax increases, limiting local revenue from year to year, while other communities can generate only a few thousand dollars annually from the limited taxable property within their boundaries. Federally impacted school districts cannot afford to lose funding or face another year of stagnant appropriations. Additional investments in Impact Aid are critical to help school districts close achievement gaps, update technology, expand access to early

childhood and afterschool programs, integrate culturally-relevant curriculum, replace failing infrastructure, offer competitive salaries to recruit and retain school leaders, and more. We ask you to prioritize Impact Aid funding as a critical Federal investment in our schools and a tax replacement program for federally impacted communities.

Construction

Federally impacted school districts have limited or no bonding capacity. This justifies why a construction line item has existed in the Impact Aid law since its inception in 1950. Federally impacted school districts need adequate resources to address health and safety code violations and capacity issues that come with educating students in buildings that are, in some cases, over 100 years old, as well as to ensure all students have access to 21st century learning environments. Impact Aid construction funds fall far short of the funding need. To date, NAFIS has identified more than \$4 billion in projects from just over 200 federally impacted school districts. We urge you to work with Congress and the White House Infrastructure Council to secure an increase for this line item through any major infrastructure package. The authorization – and the staffing and management capacity that supports it – is already in place to get funding for shovel-ready projects out the door.

Please contact us if you have any questions. We look forward to working with you on behalf of all federally impacted schools, and stand ready to serve as a resource to you and your staff.

Sincerely,



Hilary Goldmann
Executive Director



Jocelyn Bissonnette
Director of Government Affairs