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Thank you for the opportunity to provide testimony in support of the Federal Impact Aid program. Impact Aid is the oldest K12 education program administered by the US Department of Education. Our organization requests a $74 million increase for Fiscal Year (FY) 2018 over FY 2016 enacted levels. This includes a $70 million increase for Basic Support to maintain the current payout and a $4 million increase for Federal Properties for a total of $1,379,603,000.

The National Association of Federally Impacted Schools (NAFIS) represents the 1,200-plus Impact Aid-recipient school districts nationwide that educate over 10 million students. The program’s 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 lands, low-income housing, and laboratories.

Impact Aid funding is efficient and flexible. Each year, congressional appropriations flow directly from the US Department of Education’s Impact Aid program office to school districts. Locally elected school board members and administrators decide how to use these dollars for any general fund purpose. Federally impacted schools operate with a limited or non-existent tax base. Without Impact Aid funds, some of these school districts would close their doors.
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.

The funding situation for federally impacted school districts is bleak. Just four years ago, sequestration forced districts to eliminate staff positions, increase class sizes, reduce professional development, cut bus routes and afterschool programs, delay technology and facility upgrades. Now, funding cuts and stagnation are threatening the solvency of the program’s two major funding streams: Basic Support and Federal Properties.

Basic Support: Stagnant appropriations have eroded the purchasing power (measured by the Learning Opportunity Threshold) of Basic Support payments. The current payout (FY 2013 aside) is at its lowest level in two decades. At the same time, enrollment and costs to educate a diverse body of students annually increase. **We urge you to provide a $70 million increase for Basic Support to maintain the LOT payout at the final FY 2015 level.**

Federal Properties: A funding increases has not been provided since FY 2010, despite an increase in eligible school districts and the higher higher-payment needed for school districts where the Federal Government has taken additional property off the local tax rolls. **We urge you to provide a $4 million increase for Federal Properties to ensure fairness to local taxpayers.**

Additional investments in Impact Aid are critical to help school districts close achievement gaps, educate students with disabilities, 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.

According to NAFIS members, they could do the following with additional Impact Aid funding:

- **Invest in the additional resources needed to provide services to our students regarding social work, counseling (drug, alcohol, emotional), and academic assistive services for our struggling students. We are a high-poverty district with struggling students and additional staffing and services would be of great benefit to our students PreK through 12. (NY)**

- **After school tutoring, which is necessary for helping our students get the additional time they need on academic skills. This would provide our staff with an option to help students who need one-on-one time to develop skills with guidance. We also need to continue to make sure that our internet connection is consistent and at least up to 10 Mbs so that we can connect to the many resources for individualized instruction that are necessary to meet the wide variety of needs in the school. (AK)**

- **Purchase updated buses and expand routes to reduce student bus times - students travel many times up to two hours in buses filled to capacity; Extend learning opportunities for students who travel 50 to 70 miles to school. Extend opportunities closer to home (i.e. alternative schools, tutoring services, etc.); Hire social workers to work with at-risk families that hinder students’ progress. . . Enhance career and technical education programs that serve 60 to 70 percent of our students. . . Enhance college readiness opportunities such as campus visits, FAFSA assistance, career programs, etc. (AZ)**

- **With additional funding we can fund more counseling positions in our district that are greatly needed, we can offer more elective classes at the high school, we can provide more**
intervention/tutoring at every school in district. . . We are a small rural district and our staff is stressed to the max with limited funds and resources to meet the needs of our students and extra funding would help restore a lot of positions that were cut due to financial deficits and ultimately these positions would greatly assist our students. (CA)

- **Professional Development** directed at Teachers of English Language Learners and SPED students, technology, new teacher training, and purchasing student and teacher resources. (TX)

- **Provide before or after school programs** for students (especially students with disabilities) who need Tier 2 and 3 instructional supports that will assist them in meeting the reading and math benchmarks on state assessments. (VA)

Federally impacted school districts cannot afford to lose funding or face another year of stagnant appropriations. We ask you to continue to view Impact Aid as a critical Federal investment in our schools and a tax replacement program for federally impacted communities.