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NAFIS CONCERNED OVER EXTENDED CONTINUING RESOLUTION

(WASHINGTON, DC) -- The National Association of Federally Impacted Schools (NAFIS) is concerned about the impact an extended Continuing Resolution (CR) for Fiscal Year 2017 will have on federally impacted school districts.

"Without the release of funds beyond the April 28 CR, federally impacted school districts may face cash-flow shortages or be forced to borrow money to keep operating," said NAFIS Executive Director Hilary Goldmann. "Without increased funds for FY 2017, our school districts may soon be operating at sequester levels. The failure of Congress to finalize FY 2017 appropriations will have real consequences for school leaders."

NAFIS represents the 1,200-plus Impact Aid-recipient school districts nationwide, serving more than 10 million Federal and non-Federal students. Impact Aid is a partnership between communities and the Federal government where there is non-taxable Federal property, such as military installations, Indian lands, low-rent housing, and other Federal properties. Congress created the Impact Aid program in 1950 recognizing that the Federal government had an obligation to help meet the local responsibility of financing public education in areas impacted by a Federal presence.

Unlike other Federal education programs, Impact Aid is current-year funded - the FY 2017 funding that becomes available October 1, 2017 is for the school year that started earlier in the fall. Extended CRs put school districts in a financial bind because of the limited dollars available under the

CR.

"Impact Aid funding is not supplemental; it is a basic revenue stream that keeps school districts operating," said Goldmann.

Impact Aid alone can comprise upwards of 30-percent of some school district's budgets, meaning school districts may face cash-flow shortages or have to borrow money until Congress finalizes appropriations. When appropriations are delayed well into the fiscal year, federally impacted school districts face double uncertainty: they do not know the amount of funding they will receive in FY 2017 at the same time they are finalizing their own budgets for the upcoming school year. Local administrators cannot delay their budget timeline because of Congressional inaction.

Both the House and Senate FY 2017 Labor-HHS-Education Appropriations Subcommittee bills included increases in funding for Impact Aid. The Federal Properties program is in need of its first funding increase since FY 2010 as additional school districts are eligible as the Federal government acquires more property. Without increased Impact Aid funding, the Basic Support payout will drop close to FY 2013 levels – the lowest level in over two decades.

NAFIS urges Congress, the outgoing Administration, and the incoming Administration to meet its obligation to federally impacted school districts by allocating addition funds beyond the length of the April 28 CR, increasing Impact Aid funding in the final FY 2017 funding bill, and permanently eliminating the sequester caps to ensure adequate investments in the Impact Aid program in future years.

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