



National Association of Federally Impacted Schools

444 N. Capitol St., NW, Ste. 419 | Washington, DC 20001 | (p) 202.624.5455 | www.NAFISDC.org

July 26, 2018

Statement for the Record Senate Indian Affairs Committee

On behalf of the National Association of Federally Impacted Schools (NAFIS), thank you for the opportunity to submit this statement and the accompanying report for the record following the Senate Indian Affairs Committee's July 12 roundtable: *School Infrastructure Needs in Indian Country: Examining Opportunities for Success*. Based on the information from the roundtable and the data we have collected from our school district members, NAFIS recommends a one-time, \$1 billion investment in the Impact Aid Section 7007 line item to address the significant backlog of needs for public school facilities educating American Indian students. This funding could be provided through the regular appropriations process or included in any infrastructure legislation that Congress adopts.

NAFIS represents the 1,200-plus Impact Aid-recipient school districts nationwide that educate more than 10 million students. Impact Aid's purpose is to reimburse school districts for a loss of local revenue due to the presence of non-taxable federal property, such as Indian Trust, Treaty, and Alaska Native Claims Settlement Act lands, military installations, low-income housing, and laboratories. Nearly half of the school districts in the program educate American Indian students on or near Indian lands.

There already exists the federal obligation, administrative capacity, and demonstrated need to address the significant backlog of emergency projects for federally impacted school districts – including public school facilities on Indian lands. All that remains to address this policy problem is the congressional will to prioritize resources.

The Federal Government has a unique obligation to support federally impacted school districts:

Federally impacted school districts have limited to no bonding capacity as a direct result of the presence of nontaxable federal property. This justifies why Congress established a construction line item (currently Section 7007 of ESSA) when establishing the Impact Aid program in 1950. Unfortunately, congressional appropriations for construction were higher in the 1950s than they are today.

There is well-established precedent for and existing administrative capacity to distribute these funds:

There already exist systems, staffing, and management capacity to get funding for shovel-ready projects out the door. Currently, the Impact Aid program office at the US Department of Education distributes Section 7007a formula grants to school districts whose student body is at least 50 percent federally connected and Section 7007b competitive grants to school districts with emergency needs. While the statute provides an annual distribution of both 7007a and 7007b funds, insufficient appropriations result in alternating year-to-year between the two provisions.

THE NAFIS FAMILY

MISA

Military Impacted
Schools Association

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National Indian Impacted
Schools Association

FLISA

Federal Lands Impacted
Schools Association

MTLLS

Mid-to-Low-LOT
Schools

There is a clear need for resources to address the significant backlog of shovel-ready projects:

Impact Aid construction funds fall far short of the funding need. In years when funding is distributed through the formula, grants are often minimal – even for school districts with no taxpayers or taxable property from which to generate local revenue for school facilities. In years when funding is distributed through the competitive grant process, only seven to ten emergency projects are funded.

Last year, NAFIS identified more than \$4 billion in pressing construction needs from a survey of 218 federally impacted school districts in 37 states. Findings were compiled into a report, *Foundations for Learning: The Facilities Needs of Federally Impacted Schools*, published in August 2017. These districts require adequate resources to address health and safety code violations and capacity or overcrowding issues that come with educating students in buildings that are, in some cases, over 100 years old. Not to mention resources to ensure all students have access to 21st century learning environments. School districts are operating with expired boilers, faulty fire alarm systems, overheated classrooms, leaky roofs, noisy HVAC systems, earthquake damage, and coal furnaces. Other findings from the survey include:

- 53 percent of respondent school districts have no practical capacity to issue bonds.
- 82 percent of respondents cited lack of funds as a reason their district defers capital construction.
- 51 percent of respondents are in school districts in need of emergency repairs for health and safety issues like mold, asbestos, and arsenic.
- 83 percent of respondents said they could start the project within twelve months if funding were available.

We urge you to work with your colleagues to increase funding for this line item, including through a one-time infusion of funding through any major infrastructure package. NAFIS recommends a \$1 billion one-time investment as necessary, but not sufficient, to address the significant backlog of facilities needs in federally impacted schools. The Impact Aid Construction line item is already in place to get funding for shovel-ready projects out the door. The current appropriation of \$17 million falls far short of the funding need – and the federal government’s obligation to students, taxpayers, and school districts. The status quo is inequitable and unsustainable.

Thank you for the opportunity to submit this testimony and the NAFIS 2017 report *Foundations for Learning: The Facilities Needs of Federally Impacted Schools* for the record.

Jocelyn Bissonnette
Director of Policy & Advocacy
National Association of Federally Impacted Schools