



National Association of Federally Impacted Schools

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

September 4, 2018

The Honorable Roy Blunt
Chairman
Appropriations Subcommittee on
Labor-HHS-Education and Related Agencies
U.S. Senate

The Honorable Patty Murray
Ranking Member
Appropriations Subcommittee on
Labor-HHS-Education and Related Agencies
U.S. Senate

The Honorable Tom Cole
Chairman
Appropriations Subcommittee on
Labor-HHS-Education and Related Agencies
U.S. House of Representatives

The Honorable Rosa DeLauro
Ranking Member
Appropriations Subcommittee on
Labor-HHS-Education and Related Agencies
U.S. House of Representatives

Dear Chairmen Blunt and Cole, Ranking Members Murray and DeLauro:

The National Association of Federally Impacted Schools (NAFIS) strongly urges you and your colleagues to continue recognizing the obligation to federally impacted communities as you set priorities for the Labor-Health and Human Services-Education Appropriations Subcommittee. **We thank all of you for your leadership in securing significant increases for the Impact Aid program in your respective bills. Given the needs within the program, we urge you to maintain the House-approved Fiscal Year (FY) 2019 funding levels for Impact Aid, which includes a \$2 million increase for Federal Properties and a \$50 million increase for Basic Support.**

NAFIS represents the 1,200-plus Impact Aid-recipient school districts nationwide, serving over 10 million students, Federal and non-Federal. Impact Aid is the oldest elementary and secondary education program and is a partnership between local communities and the Federal Government where there is significant non-taxable property, such as military installations, Indian treaty or trust land, low-rent 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 areas impacted by a Federal presence. That same recognition holds true today.

Thank you for the much-needed \$86 million increase in FY 2018. These increases were a strong step in the right direction to meet the Federal obligation, which has eroded over the last several years. FY 2019 will require additional funds to maintain and build on the important funding progress made last year.

Section 7003 Basic Support: For seven years, school districts have operated with an Impact Aid payment inadequate to meet districts' basic need, as established by Congress. This is because appropriations have not kept pace with rising education costs, measured through the Local Contribution Rate (LCR), meaning the "purchasing power" of Impact Aid Basic Support payments is dramatically lower than it was ten years ago (see chart).

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

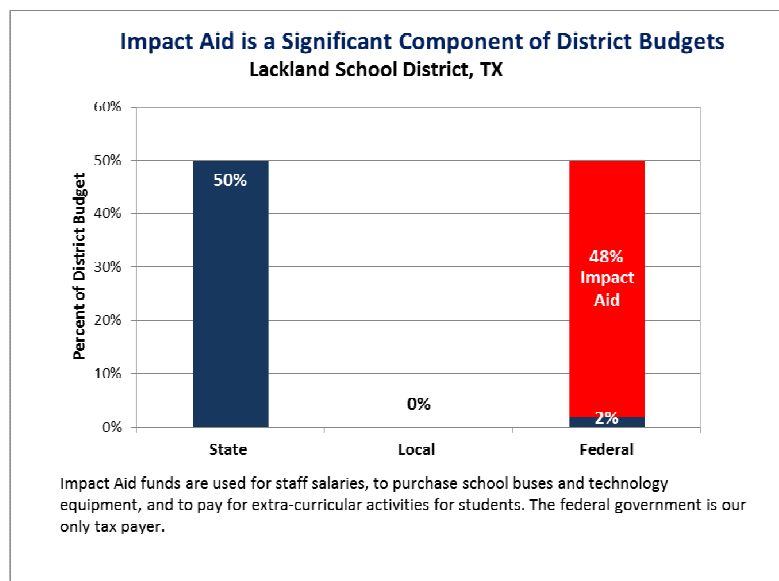
An estimated \$50 million increase for Basic Support over FY 2018 enacted levels is needed to ensure that, as states and local communities make additional investments in their school districts, federally impacted school districts do not fall behind.

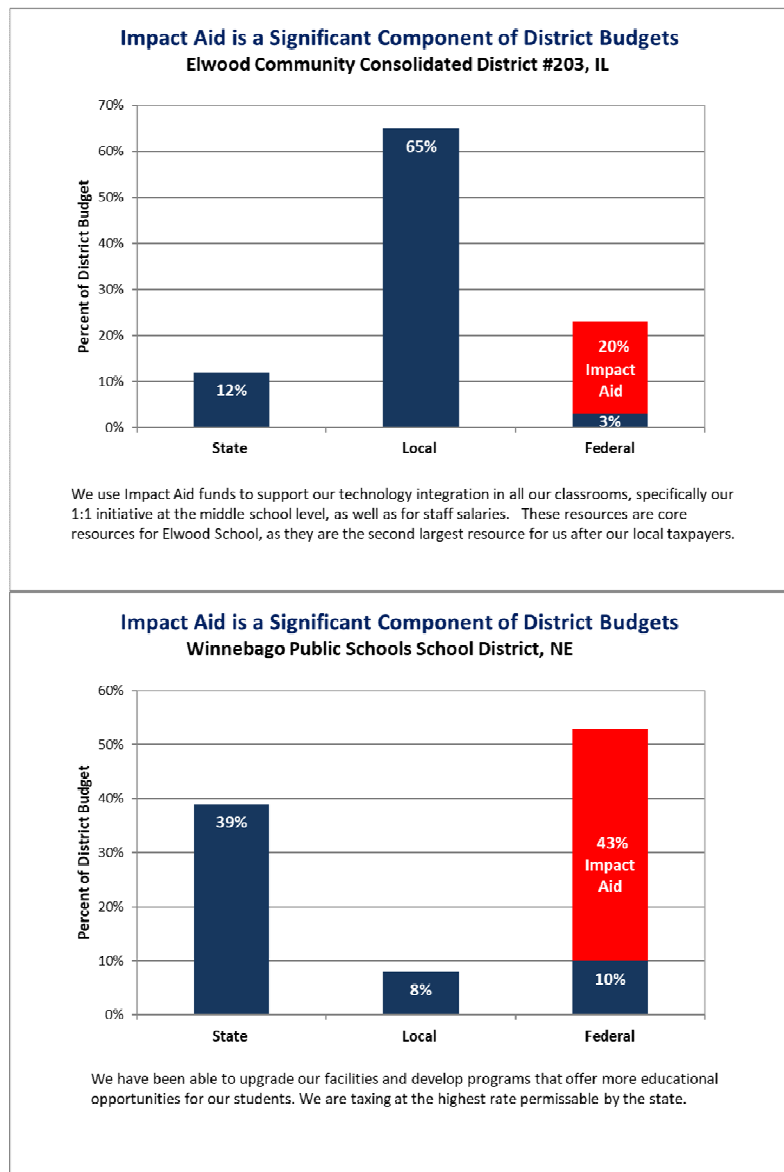
The increase in the LCR and the cost of the new hold harmless included in ESSA are largely responsible for a drop in the final LOT payout in FY 2017 of more than 1.3 percent from FY 2016 – despite an increase of \$23 million in appropriations. We expect that the increase in per-pupil expenditure (PPE) nationwide that is reflected in the Impact Aid formula could increase by 3-4% in FY 2019 over FY 2018 (NCES data should be available later in September).

FY	DoED LOT Payout
FY 2007	142.670% of LOT
FY 2008	136.930% of LOT
FY 2009	129.870% of LOT
FY 2010	115.524% of LOT
FY 2011	97.066% of LOT
FY 2012	96.109% of LOT
FY 2013	87.061% of LOT
FY 2014	91.73% of LOT
FY 2015	93.074% of LOT
FY 2016	93.6895% of LOT
FY 2017	92.332% of LOT

Section 7002 Federal Properties: The nation benefits from Federal property, including land preservation at national parks, the training of the next generation of military leaders at the military academies, and scientific discoveries at national laboratories. A \$2 million increase in FY 2019 to build on the \$4.5 million increase in FY 2018 will offset the cost of newly eligible school districts as the Federal Government continues to acquire property, partially offset the higher payments needed for current school districts where the Federal Government continues to take property off the local tax rolls, and maintain the foundation payment for all school districts.

Impact Aid is not supplemental. These funds supplant the loss of local revenues that cannot otherwise be generated due to the presence of nontaxable Federal property.





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 thank you for your continued efforts to prioritize Impact Aid and request that you continue to view the program as a critical Federal investment in our schools and a tax replacement program for federally impacted communities.

Sincerely,

Hilary Goldmann
Executive Director

Jocelyn Bissonnette
Director of Policy & Advocacy