



National Association of Federally Impacted Schools

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May 14, 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. After soliciting input from the NAFIS Board of Directors, Subgroup Leaders, and membership, we write to express our views regarding Fiscal Year (FY) 2019 funding for the Impact Aid program.

Based on our analysis, we urge you to provide a \$2 million increase for Federal Properties and a \$50 million increase for Basic Support for FY 2019. Further, we urge you to request additional information about the facilities needs of federally impacted schools and oppose Impact Aid vouchers.

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 the FY 2018 Omnibus. These increases were a strong step in the right direction to meet the Federal obligation that eroded over the last several years. Federally impacted school districts cannot afford stagnant appropriations or a loss of funding. FY 2019 will require additional funds to build on the important funding progress made last year.

Section 7003 Basic Support: 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 could restore the payout – measured in LOT – to 100-percent, the “basic need” payment for school districts based on the formula established by Congress two decades ago. A \$50 million increase for Basic Support would allow federally impacted school districts to keep pace with the resources available at non-federally impacted school districts. This funding increase, along with what was provided last year, could fully fund the proration for the first time since FY 2010. 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 will be available in September). The PPE increase, along with inadequate appropriations in previous years requires a \$50 million funding increase to restore LOT to 100 percent.

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	90%-93% of LOT*
*Estimated final rates.	

Section 7002 Federal Properties: We request that you reject the elimination of Federal Properties as proposed in the Administration’s budget request and instead provide a \$2 million increase in FY 2019 to build on the \$4.5 million increase in FY 2018. These funds will offset the cost of new school districts as the Federal Government continues to acquire property, partially offset the higher-payment need 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.

Section 7007 Construction: We recommend that Impact Aid Section 7007 funds be distributed under Section 7007(b) competitive grants, since FY 2018 funds were dispersed through Section 8007(a) formula grants.

A recent survey of NAFIS members identified more than \$4.2 billion in pressing construction needs at the 218 federally impacted school district respondents. Projects needs include asbestos and other hazardous substance removal, water damage, structural and roofing repairs, and storm shelters. Federally impacted school districts have limited or no bonding capacity to generate local revenue for emergency repairs, maintenance, and modernization – let alone new buildings. The \$17 million in competitive grants currently available every other year fund emergency repairs at only 6 to 8 school districts per cycle. While NAFIS prioritizes Sections 7003 and 7002 in its funding request, we recognize that Section 7007 is woefully underfunded below the FY 2005 level of \$50 million. NAFIS recommends at a minimum that Congress and the US Department of Education study the facility needs at federally impacted school districts.

Impact Aid Vouchers: Legislation introduced in the House and Senate would re-purpose Impact Aid into a voucher for military connected students. These bills ignore and undermine the purpose of Impact Aid and would have a significant financial impact on school districts that educate a majority of military connected and American Indian students. This proposal is unfair to students, school districts, taxpayers and military families. As the Chairs and Ranking Members of the House and Senate Labor-HHS-Education Appropriations Subcommittees, you understand the importance of meeting the federal government’s obligation to reimburse school districts for the loss of tax revenue. Your leadership through robust appropriations for Impact Aid demonstrates Congress’ commitment to this unique federal responsibility. We urge you to oppose this legislation and any effort to re-purpose Impact Aid through the appropriations process.

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. Through increased funding and opposition to repurposing Impact Aid, we ask you to continue to view the program as a critical federal investment and a tax replacement program for federally impacted communities.

Sincerely,



Hilary Goldmann
Executive Director



Jocelyn Bissonnette
Director of Policy & Advocacy