

## What is Impact Aid?

- Impact Aid (Title VII of ESSA) was first signed into law in 1950, 15 years prior to ESEA.
- Impact Aid school districts incur lost local tax revenue or increased costs due to their location on or near Federal property or other Federal activities.
- Funds are dispersed from the Federal government directly to school districts – not through the state – and are locally controlled.
- There are 1,300 Impact Aid-recipient school districts nationwide with a total enrollment of more than 11 million students.

## The Five Impact Aid Funding Line Items:

- Section 7002 – Payments for Federal Property: School districts with lands taken off local tax rolls after 1938, including national parks, waste sites, and military testing grounds.
- Section 7003 – Basic Support Payments: School districts that educate over 400 federally connected students or three-percent of total ADA, including Indian Lands, Military, Civilians and Low Rent Housing
- Section 7003(d) – Students with Disabilities: School districts receive an additional payment for federally connected students with disabilities. Funds must be spent on an IDEA-eligible activity.
- Section 7007 – Construction: Payments allocated by formula to heavily impacted school districts, and those with pressing facility needs through a grant competition.
- Section 7008 – Facilities: Basic upkeep of buildings owned by the U.S. Department of Education.

## ESSA Major Policy improvements for Title VII, Impact Aid:

- Makes permanent the Federal Property formula overhaul (in law since the FY 2013 NDAA) that has reduced subjectivity in the program and increased the timeliness of payments.
- Eliminates the Federal Property “lockout” provision that prevented school districts from receiving Impact Aid funding if they failed to apply within seven years of meeting the eligibility requirements.
- Puts more onus on the Department of Education to share tax rate and resulting data with heavily impacted Basic Support school districts.
- Adjusts the Basic Support formula to ensure equal proration when appropriations are sufficient to fund the Learning Opportunity Threshold (LOT) formula above 100-percent (FY 2016 payout is around 93-percent).
- Includes a hold harmless to provide budget certainty to Basic Support school districts facing an Impact Aid funding cliff or significant changes to their federally-connected student enrollment.
- Eliminates maintenance of effort to prevent a school district from losing all of its Impact Aid due to outside funding factors. (Does not impact MOE for other ESSA titles).
- Proportionally increases the authorization for the five Impact Aid line items by \$100 million.

Contact Jocelyn Bissonnette, Director of Government Affairs for the National Association of Federally Impacted Schools (NAFIS) with any questions: [Jocelyn@nafisdc.org](mailto:Jocelyn@nafisdc.org) or (202) 624-3614.

## 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