



TALKING POINTS: 2018 NAFIS FALL CONFERENCE

Impact Aid Overview

Impact Aid is the Federal Government's reimbursement to school districts for the presence of nontaxable Federal property (i.e. military installations, Indian Lands, Federal low-rent housing, national laboratories and grasslands) and federally connected students. The program has not been fully funded in decades. Funding appropriated annually by Congress goes directly to school districts for any general fund purpose, including academic materials, technology, staff or transportation, supporting all students. This flexibility allows school districts to target funds based on need, as determined by district leadership.

Impact Aid Coalitions: The bipartisan House and Senate Impact Aid Coalitions were established in the 1990s and have since led successful efforts to protect and prioritize the Impact Aid program. The current House Republican co-chair Rep. Kristi Noem (SD) is retiring from Congress. Contact Jocelyn@nafisd.org to join one of the Coalitions.

Talking Points

- **The House Impact Aid Coalition will need a Republican co-chair for the 116th Congress (2019-2020).**

Funding

FY19 Impact Aid Funding: The Administration's original budget request included the elimination of Federal Properties and a \$525 million cut to the Basic Support program, a 44 percent reduction. These funding cuts would have been disastrous given that Impact Aid can comprise upwards of 40 percent of a school district's budget because of limited taxpayers and/or taxable property. Without an increase in Impact Aid, the Federal Government fails to meet its obligation to federally impacted school districts, which fall behind as other school districts receive increased local resources to address rising costs. Fortunately, those in Congress who oversee spending recommend a \$32 million increase in Impact Aid funding for FY19.

Sequestration: Budget cuts (known as sequestration) return next year absent a Congressional agreement to raise the funding caps. Because Impact Aid is current year funded – and in many cases comprises a significant portion of a school district's budget – sequestration hits federally impacted school districts sooner and more significantly than other school districts.

Talking Points

- **SUPPORT the \$32 million increase for Impact Aid in FY19**
 - **The \$1 million increase for Federal Properties would help cover the cost of new school districts as the Federal Government continues to acquire property.**
 - **The \$31 million increase for Basic Support would provide much-needed resources to maintain spending comparable with non-federally impacted school districts (measured by the Learning Opportunity Threshold (LOT)).**
- **Congress must eliminate sequestration to prevent funding cuts for programs like Impact Aid.**

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

Section	FY18 Final	FY19 Senate Request	FY19 House Request (NAFIS Request)	FY19 Conference
Federal Properties	\$ 73,313,000	\$ 74,313,000	\$ 75,313,000	\$ 74,313,000 (+\$1M)
Basic Support	\$1,270,242,000	\$1,294,242,000	\$1,320,242,000	\$1,301,242,000 (+\$31M)
Disabilities	\$ 48,316,000	\$ 48,316,000	\$ 48,316,000	\$ 48,316,000
Construction	\$ 17,406,000	\$ 17,406,000	\$ 17,406,000	\$ 17,406,000
Facilities	\$ 4,835,000	\$ 4,835,000	\$ 4,835,000	\$ 4,835,000
Total	\$1,414,112,000	\$1,439,112,000	\$1,466,112,000	\$1,446,112,000 (+\$32M)

Construction

NAFIS has identified over \$4.2 billion in pressing school facility needs at NAFIS member school districts. Federally impacted school districts have limited or no bonding capacity due to the presence of nontaxable Federal property. In recognition of this fact, the Impact Aid law has included a construction line item since its inception. Federally impacted school districts need adequate resources to address health and safety code violations and capacity issues that come with educating students in buildings that are, in some cases, over 100 years old, as well as to ensure all students have access to 21st century learning environments. Impact Aid construction funding falls far short of need. The staffing and management capacity is already in place at the Department of Education to get funding for shovel-ready projects out the door through any major infrastructure legislation.

Talking Points

- **COSPONSOR the Impact Aid Infrastructure Act, H.R. 6830, introduced by Rep O’Halloran (D-AZ). The bill provides a \$1 billion one-time infusion into the Impact Aid Construction program to address the significant backlog of school construction needs at federally impacted school districts. The eligibility pool of school districts is broader than the regular construction program given the significant resources authorized under this legislation.**

Impact Aid Vouchers

NAFIS opposes the Military Family Education Savings Account Act introduced in the House and Senate. These bills completely ignore the purpose of Impact Aid: to reimburse school districts for the loss of local revenue due to the federal presence. This private school voucher-scheme would divert Impact Aid funds from federally impacted school districts, including Indian lands districts and those educating concentrations of military connected students, and reduce educational and other student supports. NAFIS estimates that the aggregate financial impact on the Basic Support program is \$450 million. In addition, it removes accountability and protections for students and families and could also increase the taxpayer burden in these communities.

Education, civil rights, disability and military serving organizations opposed this legislation, and there was strong bipartisan concern on the Hill. Secretary DeVos testified: *“the vehicle of using an Impact Aid funding stream is not one that I support and that the administration supports.”* While legislation was defeated in both the House and Senate earlier this year, the bill continues to garner co-sponsors. In addition, identical or similar proposals could be introduced in the 116th Congress.

Talking Point

- **Do not co-sponsor H.R. 5199 or S. 2517, the Military Family Educating Savings Account Act, or support proposals that divert Impact Aid funds from public school districts.**