



National Association of Federally Impacted Schools

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January 24, 2019

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 Rosa DeLauro
Chairwoman
Appropriations Subcommittee on
Labor-HHS-Education and Related Agencies
U.S. House of Representatives

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

Dear Chairman Blunt, Chairwoman DeLauro, Ranking Members Murray and Cole:

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) 2020 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 2020.

NAFIS represents the 1,200-plus Impact Aid-recipient school districts that together educate more than 10 million students across the nation. 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, Federal low-rent housing facilities, national parks and national 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 and \$32 million increase in FY 2019. These increases were a strong step in the right direction to meet the Federal obligation that had eroded over the last several years. Federally impacted school districts cannot afford stagnant appropriations or a loss of funding. FY 2020 will require additional funds to build on the important funding progress made in the last two years.

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 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).

We expect that the increase in per-pupil expenditure (PPE) nationwide that is reflected by the LCR in the Impact Aid formula could increase by 3-4% in FY 2020 over FY 2019 (NCES data will be available in September).

We estimate that the FY 2018 LOT payout - the “basic need” formula payment - will be between 95-97%. We also estimate that due to the LCR increase, the FY 2019 LOT payout could drop below the FY 2018 LOT payout. Therefore, based on currently available data, a \$50 million increase is required in FY 2020 to restore the LOT payout to the FY 18 level. A \$100 million increase would increase LOT to 100 percent.

Section 7002 Federal Properties: We thank you for the \$5.5 million increase in 7002 payments in FYs 2018 and 2019. For FY 2020, we request that you provide a \$2 million increase to build on these increases. 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 FY 2020 Impact Aid Section 7007 funds be distributed under Section 7007(a) formula grants, since FY 2019 funds will be dispersed through Section 7007(b) competitive 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, well 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.

FY	DoED LOT Payout	LCR Rates
FY 2008	136.930% of LOT	\$4,391.50
FY 2009	129.870% of LOT	\$4,623.00
FY 2010	115.524% of LOT	\$4,898.00
FY 2011	97.066% of LOT	\$5,215.00
FY 2012	96.109% of LOT	\$5,330.00
FY 2013	87.061% of LOT	\$5,404.50
FY 2014	91.73% of LOT	\$5,406.00
FY 2015	93.074% of LOT	\$5,386.00
FY 2016	93.6895% of LOT	\$5,468.00
FY 2017	92.332 of LOT	\$5,635.50
FY 2018	95-97% of LOT *	\$5,840.50
FY 2019	94-96% of LOT*	\$6,036.00
FY 2020		\$6,217.00 - \$6,277.50 *
	* Estimated final rates	

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. These investments help school districts provide supportive and nourishing learning environments for all students. Through increased funding, 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



Leslie Finnan
Director of Policy & Advocacy