California School Districts Receive More Federal Property Funding Than Any Other State

New NAFIS reports show distribution of funds by state, school district and congressional district

Washington, DC – November 12, 2019 – The National Association of Federally Impacted Schools (NAFIS) today released Impact Aid Payments Overview: Fiscal Year 2018 Section 7003 – Basic Support and Impact Aid Payments Overview: Fiscal Year 2018 Section 7002 – Federal Property. These publications detail how Impact Aid funds were distributed to local education agencies across the United States and its territories – and California school districts receive more 7002 funding than any other state.

According to FY 2018 data from the U.S. Department of Education (the most recent available), California school districts received approximately $80 million in total Impact Aid funding. Of that, $19.7 million was for Section 7002 – Federal Property payments, the most in the nation. They also received $57.4 million in Section 7003 – Basic Support and $3.8 million in Impact Aid Children with Disabilities payments.

Ninety-four California school districts serving more than 364,000 students benefit from these funds. Nationally, approximately $1.4 billion in Impact Aid appropriations supported 1,253 school districts serving around 10 million students.

These payments are only a fraction of what California school districts would receive if Impact Aid were fully funded by Congress – their calculated Section 7002 need is over $334 million and their calculated Section 7003 need is over $144 million.

Impact Aid is a Federal education program that partially reimburses school districts for the lost revenue and additional costs associated with the presence of nontaxable Federal property, such as military installations, Indian trust or treaty lands, Federal low-rent housing, national parks, national laboratories and other Federal buildings and property. Because most school districts are funded largely through local taxes and fees, and because Federal land is exempt from taxation, districts containing Federal property are at a financial disadvantage in funding their schools. Impact Aid (Title VII of the Every Student Succeeds Act, ESSA) recognizes the Federal government’s obligation to help finance public education and support students in areas where it holds land, though it hasn’t been fully funded since 1969.

“Impact Aid is an important funding source for many California school districts,” said Nancy Nien, President of the California Association of Federally Impacted Schools (CAFIS) and Assistant
Superintendent of Business Services for Los Alamitos Unified School District. “Districts use Impact Aid for educator professional development, student transportation, social emotional supports, instructional materials and other programs and services that ensure students have access to a quality education.”

“Impact Aid plays a key role in school districts’ efforts to provide all students with the opportunities they need to meet their full potential,” said NAFIS Executive Director Hilary Goldmann. “These publications highlight the diversity of federally impacted school districts, and they make clear that some school districts and the students they serve are being shortchanged hundreds of thousands of dollars because the program is not fully funded.”

The reports aim to raise the awareness of Federal, state and local policymakers of the importance of Impact Aid to individual school districts and states. The publications, along with an infographic offering a national snapshot of the program, can be found on the NAFIS website.

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The National Association of Federally Impacted Schools (NAFIS) represents the 1,200-plus federally impacted public school districts that together educate more than 10 million students across the nation. Federally impacted school districts are those located on or near nontaxable Federal property—including military installations; Indian Trust, Treaty and Alaska Native Claims Settlement Act lands; Federal low-income housing facilities; and national parks, national laboratories and other Federal buildings and property. These school districts, which are demographically and geographically diverse, receive Impact Aid, a Federal education program that reimburses school districts for the lost local revenue and additional costs associated with the presence of Federal property. To learn more, visit www.nafisd.org.