# Impact Aid 101

- Welcome!
- Introduce yourself in the chat share your:
  - Name and role
  - State
  - School district
  - Type of impaction (federal property, military, Indian lands, low-rent housing, civilian)
- Want to take notes on the slides? Download using the link in the chat

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# **Impact Aid 101**Hilary Goldmann Executive Director Anne O'Brien Communications Director

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# Agenda

- Welcome and introductions
- Anything you want to make sure the webinar covers? Share it in the chat.
  - Have questions during the presentation? Ask them in the chat.
- Overview of Impact Aid
  - What it is
  - Why it exists
  - Who is eligible
  - How it works
- Advocacy success

# National Association of Federally Impacted Schools

Founded in 1973. Nonprofit, nonpartisan association representing Impact Aid recipient school districts.

#### Mission:

- Educate Congress and the Administration on Impact Aid
- Provide technical assistance to school districts & Congress
- Coordinate with the House & Senate Impact Aid Coalitions
- Serve as an umbrella organization for four subgroups

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### NAFIS is....

- Your voice on Capitol Hill
- Your source for Impact Aid information and technical assistance
- Your professional network
  - Spring and fall conferences each year
- Newsletter & action alerts
- Social media @NAFISschools

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# The NAFIS Family

### **NAFIS Subgroups:**

- Federal Lands Impacted Schools Association (FLISA)
- Mid-to-Low LOT Schools (MTLLS)
- Military Impacted Schools Association (MISA)
- National Indian Impacted Schools Association (NIISA)

# What Is Impact Aid?

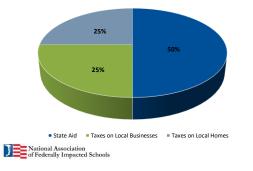
### Federal program designed to:

- Reimburse school districts for revenue lost when land is removed from local tax rolls due to federal activity (Section 7002)
- Compensate school districts for additional costs associated with the presence of federal property (Section 7003)

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# **Typical School District Revenue**



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# When the Feds Own Land...

- It is removed from the local tax rolls = loss of revenue at the local level
- Additional students may be present in local schools
- · Both may impact your district



# Examples of "Federal Impaction"

- Military installation
- Indian Trust, Treaty, or Alaska Native Claims Settlement Act land
- Federal low-rent housing facilities
- · Soldiers' and Sailors' Civil Relief Act
- Civil service activities: VA hospitals, national laboratories, national parks, etc.

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### Impact Aid

### Oldest Elementary-Secondary Education Program

• Signed into law by President Truman in 1950

### Title VII of ESSA (Every Student Succeeds Act)

- Elementary & Secondary Education Act (ESEA) was passed using the Impact Aid law in 1965
- Most recently reauthorized in 2015
- Technically difficult law

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### Impact Aid

- Efficient: Every dollar appropriated by Congress goes directly to school districts (not to states)
- Flexible: The use of Impact Aid is determined locally, for the benefit of <u>all</u> students (ex: funds used for materials, technology, transportation, staff support, etc.)



### Impact Aid

- Supplants: Makes up for lost local revenue; doesn't provide supplemental funding aimed at specific student needs like IDEA, Career and Technical Education, Title I and other Title programs
- States cannot consider Impact Aid state aid (exception: equalization – currently AK and KS, NM under review)

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### Impact Aid Law

- 13 sections total
- Federal dollars attached to 4 sections
  - Section 7002: Payments relating to federal ownership of property
  - Section 7003: Payments for eligible federally connected children
    - Includes Section 7003(d): Payments for Children with Disabilities
  - Section 7007: Construction
  - Section 7008: Facilities

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# Section 7002 – Federal Property

### FY21: \$76,313,000

- Federal Government takes ownership of land, the property comes off the local tax rolls
- School district must continue to educate students with less tax revenue
- Funded at significantly less than identified need – ~8.3%

### Section 7002 Eligibility

- Property was acquired by the federal government after 1938
- When acquired, property is 10% or more of the assessed value of taxable property in the district
- Property cannot have been acquired in exchange for other federal property
- School district must not be substantially compensated by increases in revenues from federal activities from the property

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### Section 7002 Land

- 200 school districts eligible in FY19
- Land includes:
  - Army Corps of Engineers projects
  - National forests, grasslands and laboratories
  - · Federally owned dams and reservoirs
  - And more...

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### Section 7002 Payments

• Foundation Payment = 90% of Payment Received in FY09

OR

 Average Payment for FY06 – FY09 Combined

# New 7002 Districts

 After Foundation Payment is made, newly identified eligible applicants are paid on a prorated basis with the remaining Section 7002 funds

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### 7002 Remaining Funds

- STEP 1: Determine per acre dollar value
   <u>Total Assessed Land Value</u>
   (Total Acres 7002 Acres)
- STEP 2: Multiply the per acre value by the number of 7002 acres
- STEP 3: Multiply by the tax rate
- RESULT: Section 7002 maximum payment

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# 7002 Actual Payments

Illinois											
mpact Aid Fiscal Year 2019 Section 7002 - Federal Property Final Payments											
School District	0	Federal Acres	Total Acres	Percent Federal	FY19 Payment	Full Funding Payment					
Cass School Dist. #63	11	1,026.00	2,530.00	41%	\$427,478.10	\$6,168,189.00					
Community Consol. School Dist. #180	11	2,408.00	5,043.84	48%	\$761,948.12	\$7,452,235.00					
Elwood CCSD #203	1	6,747.37	18,679.68	36%	\$705,576.92	\$1,512,932.00					
Ewing-Northern Comm. C. School Dist. #115	12	15,398.00	56,819,42	27%	\$60,250,85	\$267,216.00					
Giant City Community Consolidate	12.15	5.046.00	25.023.00	20%	\$16.684.57	\$253.001.00					
Lamont High School District 210	3	3.608.00	19,840.00	18%	8913.085.59	\$4,564,365,00					
Spring Garden CCSD178	12	3.200.00	33,360.00	10%	\$11,879.00	\$72,945.00					
Wilmington Comm. Unit School Dist. #209-U	16	14,876.45	63,503.36	23%	\$2,076,492.21	\$2,406,984.00					
TOTAL		52,309.82	224,799.30	(	\$4,973,395.36	\$22,697,867.00					



# 7002 in Sum

- School districts had tax revenues substantially reduced because the federal government took ownership of land
- The federal government doesn't pay taxes
- Impact Aid attempts to make up for this tax loss, but does so at a rate of only about 8.3 cents on the dollar

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### Section 7003 – Basic Support

7003(b) Payments for Eligible Federally Connected Children FY21: \$1,354,242,000 FY19: 1,016 school districts

7003(d) Payments for Children with Disabilities FY21: \$48,316,000

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# Section 7003 Eligibility

• 400 federally connected students in ADA

OR

• 3% of ADA is federally connected students

# 7003 Federally Connected Students

- Reside on federal property with parent employed on federal property
- Reside on federal property with parent on active duty in the uniformed services
- Reside on Indian Lands
- Have a parent on active duty in the uniformed services but do not live on federal property
- Reside in federal low-rent housing (only federal projects, not Section 8)
- Have a parent who either resides on federal property <u>or</u> works on federal property (*note: for these students, eligibility is either 1,000 or 10% ADA*)

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### 7003 Payments

Based on a number of factors, including:

- Number and type of federally connected students in average daily attendance (ADA)
- Cost of education (indicated by the local contribution rate)
- School district need (measured by the Learning Opportunity Threshold (LOT) Percentage)
- Congressional appropriations (which determines the LOT Percentage Payout)

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### 7003 Student Count

Since the Section 7003 formula incorporates the number of federally connected students, you have to count them

- Required every year (note: due to COVID-19, for FY22 school districts could use their FY21 student count)
- Count date must be at least three days after school starts and before January 31
- Submit the application by January 31
- Amend the application by June 30

# 7003 Count Options

- Parent-Pupil Survey Form
  - Completed and signed by parent/guardian
  - Electronic Data Collection Pilot allows electronic collection
  - May require additional certification from BIA or HUD
- Source Check
  - Certification of enrollment & IEP by school
  - Certification of federal students for each property claimed
  - Certification of land/federal connection
- Connection to federal land is critical

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### Sample Source Check – Category C Form

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Impact Aid Program Source Check Form	
Category C Children	
Children who Reside on Eligible Trust or Restricted Indian Lands	
LEA Name: Impact Aid Number:	
School Year: 2020-2021 Survey Date:	
Federal Property as Which the Parent Resides Address or Legal Description	
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https://impactaid.ed.gov/resources/

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### Sample Source Check – Category C Signature Block

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# Things to Keep in Mind

- Many LEAs have lost eligibility because their forms did not collect the appropriate data
- It is highly recommended that a LEA submit their form to their Impact Aid state analyst for approval
- Without prior approval, the LEA can lose funds for incomplete data
- Need to keep records for 3 years after final payment (approx. 5 years total)

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# Weighted Federal Student Units (WFSUs)

 Since different types of students have different financial impacts on the school district, there are several different weights

### You get PAID on Weighted Units...NOT on kids!



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# Weighted Federal Student Units (WFSUs)

Students residing on Indian Trust or Treaty land	- 1.25
<ul> <li>Military dependent student residing on federal property</li> </ul>	- 1.00
<ul> <li>Civilian student living on federal property with parent working on federal property</li> </ul>	- 1.00
<ul> <li>Military dependent student not living on federal property</li> </ul>	20
<ul> <li>Student residing in federal low-rent housing</li> </ul>	10
<ul> <li>Civilian student whose parent lives or works on federal property</li> </ul>	05
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### WFSUs Example

Туре	# App	* A	DA Ratio	=	ADA	*	WT	=	WFSU
Ind. Land	100	*	.937	=	93.7	*	1.25	=	117.13
Mil. On	100	*	.937	=	93.7	*	1.00	=	93.7
Mil. Off	100	*	.937	=	93.7	*	0.20	=	18.74
LRH	100	*	.937	=	93.7	*	0.10	=	9.37
Civ. Live or Worl	<b>100</b>	*	.937	=	93.7	*	0.05	=	4.69
Total Fed	500			4	468.5			2	243.63

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# Local Contribution Rate (LCR)

- Unlike most federal education programs, the Impact Aid Basic Support formula considers the actual cost of education – the local contribution rate
- Determined by National Center for Education Statistics (in most cases)
- Typically ½ the national or state average per pupil expenditure (PPE)



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# Calculating "Full Funding" Payment

### Weighted Federal Student Units (WFSUs)

Multiplied By

Local Contribution Rate (LCR) =

### **Full Funding Payment**

#### Ex: 243.6 \* \$6,495.00 = \$1,582,182.00

Problem: There is not enough money appropriated by Congress

# We need a form of PRORATION

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### Learning Opportunity Threshold (LOT)

- Need-based proration
- Each LEA has a LOT % (Need Factor) which is its:
  - \* Percentage of enrollment of federally connected students
  - Percentage of the local district budget made up of Impact Aid Maximum Payment

A LOT Percentage may <u>never</u> be higher than 100%

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# What if Appropriations...

- Are not high enough to fund LOT?
  - Then <u>everyone</u> gets an equal percentage of their LOT that is less than 100%
  - Examples: 94% LOT, 75% LOT...whatever the appropriation will pay for
- Can fund over 100% of LOT?
  - Every district that has not received its full funding payment will receive an additional payment evenly prorated (not to exceed its maximum payment)

# 7003 Actual Payments

#### California

School District	•••	LOT	FY19 Payment	Full Funding Payment	Total ADA	Total Federal ADA	Military	Civilians	Indian Lands	Low Rent Housing	Disability Payment
All Tribes Charter aka All Tribes American India	50	100%	\$354,112.30	\$360,832.08	47.82	47.82	0	0	47,82	0	\$9,181.15
All Tribes Elementary Charter School	50	100%	\$361,102.14	\$367,954.56	51.64	48.77	0	0	48,77		\$10,333.29
Alpine County Unified School District	4	63%	\$346,639.95	\$411,293.04	117.85	54.51	0	0	54.51	٥	\$14,917.86
Alpine Schools	50	3%	\$49,668.93	\$598,952.28	1634.37	79.38	0	0	29.38	0	\$17,210.15
Arena Union Elementary School District	2	24%	\$84,393.87	\$303,067.56	222.82	40.17	0	0	40.17	0	\$11,473.43
Audeo Charter School	52	2%		\$46,175.40	385.4	11.47	11.47	0	0	0	
Barona Indian Charter School	50	93%	\$250,170.64	\$216,450.96	70.77	51.64	0	23.91	27.73	0	\$4,596.57
Barstow Unified School District		2%		\$93,497.64	5972.28	109.02	30.6	0	0	78.42	
Bay View Academy	20	16%	\$28,232.68	\$63,740.16	443.74	63.12	8.61	54.51	0	0	
Big Creek Elementary School District	4	85%	\$138,944.94	\$167,136.84	64.07	44.95	0	44.95	0	0	
<b>Big Pine Unified School District</b>		71%	\$404,719.01	\$584,465.88	144.41	77.46	0	0	77,46	0	\$11,473.43
Bishop Unified School District	8.	35%	\$1,042,497.72	\$3,016,128.64	1870.58	399.75	0	0	399.75	0	\$63,127.85
Bonsall Unified School District	50	27%	\$525,878.16	\$1,957,112.64	2447.25	468.6	247.69	5.74	215.17	0	\$73,461.18
Central Union School District	21	100%	\$6,717,471.31	\$6.844,944.72	1817.03	1420.15	1011.79	245.78	162.58	0	\$110,749.84
Chula Vista Elementary School	51	275	\$332,794.08	\$2,788,088.76	28416.39	2190.96	2190.96	0	0	0	\$115.346.42

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### 7003(d) Children with Disabilities

### FY21: \$48,316,000

- Additional payment for Indian land and military students with an active IEP
- Funds must be spent on an IDEA-eligible activity
- Appropriations divided by number of eligible weighted student units determines the payout
- Currently about \$1,200 per weighted student unit (\$600 for military off-base students)

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# Section 7004: Indian Policies and Procedures

- Local school districts serving students residing on Indian Lands are required to submit IPPs (Indian Policies and Procedures)
- IPPs ensure the LEA has had a meaningful dialogue with the Tribe(s) they serve so that participation by Indian children in the school program is equal to that of non-Indian children
- Consider sharing draft IPPs with your Impact Aid analyst
- Tribes can agree to waive the need for IPPs

# Section 7007 Construction

### FY21: \$17,406,000

7007(a) Formula Grants: To meet capital/construction needs

**7007(b) Discretionary Grants:** 12-15 grants per funding cycle with priority given to districts with little to no bonding capacity for emergency repairs

Typically formula grants in even fiscal years; competitive in odd years

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### Section 7007(a) Construction

### Formula Grant Program

Eligibility

- 50% or more Indian land students
- 50% or more military dependent students
- Receive Section 7003(b)(2) funds

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# **Application & Payments**

- Submit application by January 31 through Impact Aid Grant System (IAGS) account (<u>impactaid.ed.gov</u>)
  - 1 to 60 days late = 10% reduction in Impact Aid payment
  - 61 days late and later = total loss of Impact Aid funding
- Payments electronically deposited
- Impact Aid Office of the U.S. Department of Education
   notifies of each payment electronically
- Impact Aid payment vouchers posted in IAGS

# New! Redesigned Vouchers



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### NAFIS Advocacy Success

### Impact Aid Coronavirus Relief Act

Allowed school districts to use their FY21 student count and/or acreage valuation for their FY22 Impact Aid application.



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### NAFIS Advocacy Success

FY 16 - \$17 million increase Basic Support
FY 17 - \$21 million increase Basic Support
\$2 million increase Federal Property
FY 18 - \$81 million increase Basic Support
\$4.5 million increase Federal Property
FY 19 - \$31 million increase Basic Support
\$1 million increase Federal Property
FY 20 - \$39 million increase Basic Support
\$1 million increase Federal Property
FY 21 - \$14 million increase Basic Support
\$1 million increase Federal Property
FY 21 - \$14 million increase Federal Property
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# NAFIS Priorities – 117<sup>th</sup> Congress

### • FY 2022 Appropriations

- \$100 million increase for 7003 Basic Support
- \$2 million increase for 7002 Federal Property

### Impact Aid Full Funding

- Fully fund 7003 formula, proportional increase to 7002, increase disability payments
- Five-year glide path \$210 million per year

### Infrastructure

Supporting the Impact Aid Infrastructure Act

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### Get Engaged

- Join the NAFIS Family
- Attend NAFIS Conferences
- Use the NAFIS Action Center
- Let your Members of Congress know Impact Aid is important
- Like us on Facebook and follow us on Twitter
   @NAFISschools

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# Questions?

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