



National Association of Federally Impacted Schools

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April 2, 2020

Dear Representative:

The National Association of Federally Impacted Schools (NAFIS) strongly urges you and your colleagues to include a one-time supplemental investment in Impact Aid in the next COVID-19 stimulus package to assist federally impacted school districts in meeting the challenges they face due to the coronavirus. Such an investment will spur economic growth, supporting the economic recovery of communities across the country. Because of the historic underfunding of the Impact Aid program, these districts – which educate some of our most vulnerable student populations, including Native American and military connected children and children living in federal low-rent housing – are less resourced than non-federally impacted school districts to respond to the challenges caused by this pandemic.

Additional investments in Impact Aid are needed to support salaries of key personnel, helping alleviate expected state funding cuts to avoid lay-offs and spur the economic recovery in their communities. The funds also required to help these school districts as they transition to online learning, meet the social and emotional needs of students, provide wrap-around services, and replace failing infrastructure. NAFIS recommends:

- \$800 million for Section 7003 – Basic Support to fully fund the program
- \$45 million for Section 7003(d) – Children with Disabilities to increase payments from \$1,200 to \$2,000 for students with an active Individualized Education Program (IEP)
- \$45 million for Section 7002 – Federal Property to support districts with non-taxable federal land
- Including the Rebuild America’s Schools Act, which includes \$500 million for the Impact Aid construction program, in the infrastructure package

Section 7003 – Basic Support

Funding for the Basic Support program has not kept pace with rising education costs, measured through the Local Contribution Rate (LCR). This means the “purchasing power” of Impact Aid Basic Support payments does not meet local revenues of similar non-federally impacted districts. Since 2008, there has been a \$10 billion funding gap between what districts should have received

through the Basic Support formula and what they actually received in appropriated funds. This funding

shortfall causes federally impacted districts to be less prepared than non-federally impacted districts to weather funding cuts or unexpected costs such as those related to COVID-19. NAFIS estimates an additional \$800 million would fill the gap between fully funding the Basic Support program and the appropriated funding for FY 2020.

	Maximum Payment	Actual Payment	Difference
2008	\$1,785,933,194.53	\$1,105,216,131.54	\$680,717,062.99
2009	\$1,857,021,268.00	\$1,126,492,248.11	\$730,529,019.89
2010	\$1,959,022,504.82	\$1,137,730,453.42	\$821,292,051.40
2011	\$2,100,761,278.42	\$1,134,533,423.26	\$966,227,855.16
2012	\$2,138,950,815.22	\$1,152,997,388.45	\$985,953,426.77
2013	\$2,198,726,312.51	\$1,092,913,590.47	\$1,105,812,722.04
2014	\$2,195,965,977.03	\$1,159,164,542.04	\$1,036,801,434.99
2015	\$2,125,261,965.76	\$1,151,196,881.12	\$974,065,084.64
2016	\$2,087,364,361.22	\$1,148,796,745.25	\$938,567,615.97
2017	\$2,192,297,051.40	\$1,185,140,141.69	\$1,007,156,909.71
2018	\$2,181,892,868.13	\$1,217,433,153.45	\$964,459,714.68
Total	\$22,823,197,597.04	\$12,611,614,698.80	\$10,211,582,898.24

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(d) – Children with Disabilities

Funding for the Children with Disabilities section of the Impact Aid program has never been increased, despite skyrocketing costs of educating this student population. In FY 19, school districts received \$1,200 per student (or \$600 for an off-base military-connected student). This funding supplements IDEA funds but makes a small dent in the amount left for the district to pay. By adding \$45 million to this program, NAFIS estimates payments would increase to approximately \$2,000 per student (or \$1,000 for an off-base military-connected student). This funding would assist school districts in updating and designing support systems and coursework for tailored for these students, as well as maintaining their teacher, paraprofessional and other personnel who are so important to the education of these students.

Section 7002 – Federal Property

The Federal Property section of the Impact Aid program is also underfunded, leaving districts more financially vulnerable than non-federally impacted districts. A \$45 million increase would provide a similarly sized increase as fully funding Basic Support. This funding would help districts with non-taxable federal lands handle the additional costs associated with the coronavirus response and recovery, as well as mitigate coming shortfalls at the state and local level. Seventy percent of Federal Property school districts are located in rural areas, making their economic recovery especially challenging.

Rebuild America’s Schools Act

Repair and renovation as well as new construction of school facilities remain a critical need for federally impacted school districts; NAFIS has identified more than \$4.2 billion in pressing infrastructure needs in just 218 school districts. Many of these districts have little or no ability to pass bonds or levies at the local level, which makes the funding of new construction or renovations uniquely difficult. The Rebuild America’s Schools Act includes a \$500 million infusion of funds through the existing Impact Aid construction program, which by creating jobs will serve to jump-start the economic recovery as well as provide students safe and modern learning environments.

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.

Due to the COVID-19 pandemic, federally impacted school districts are engaged in herculean efforts to deliver meals so no student goes hungry and to overhaul their teaching and learning delivery system to ensure meaningful educational opportunities for all students. Increased funding will go a long way in supporting this work, as well as the economic recovery of their communities. Through this increased funding, we ask you to continue to view Impact Aid as a critical federal investment.

Sincerely,



Hilary Goldmann
Executive Director



Leslie Finnan
Director of Policy & Advocacy