



National Association of Federally Impacted Schools

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May 27, 2020

The Honorable Mitch McConnell
Senate Majority Leader
Room S-230, U.S. Capitol
Washington, DC 20510

The Honorable Charles E. Schumer
Senate Minority Leader
Room S-221, U.S. Capitol
Washington, DC 20510

The Honorable Richard Shelby
Chairman
Senate Appropriations Committee
Room S-128, U.S. Capitol
Washington, DC 20510

The Honorable Patrick Leahy
Vice Chairman
Senate Appropriations Committee
Room S-128, U.S. Capitol
Washington, DC 20510

Dear Leader McConnell, Leader Schumer, Chairman Shelby and Vice Chairman Leahy:

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.

NAFIS members are now planning how to safely educate these students in the future. Looking forward, they are concerned about state budget cuts, especially since federally impacted school districts are disproportionately reliant on state funding. Additional investments in Impact Aid are needed to allow our districts to continue to educate their students, avoid lay-offs and spur the economic recovery in their communities. The funds are also required to help these school districts as they transition to online learning, meet the social and emotional needs of students and provide wrap-around services. 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

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

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 to weather funding cuts or unexpected costs such as those related to COVID-19 than non-federally impacted districts. 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

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, federally connected school districts received \$1,200 per student with an active IEP living on Indian lands or connected to the military living on-base (and \$600 for each 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 qualifying 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 tailored for these students, as well as maintaining the teachers, paraprofessionals 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.

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 systems to ensure meaningful educational opportunities for all students. Investing in Impact Aid will go a long way to support this work, as well as help to spur the economic recovery of their communities. Through this increased funding, we ask you to continue to prioritize Impact Aid as a critical federal investment.

Sincerely,

A handwritten signature in black ink that reads "Hilary Goldman". The signature is written in a cursive, flowing style.

Hilary Goldman
Executive Director

A handwritten signature in black ink that reads "Leslie Finnan". The signature is written in a cursive, flowing style.

Leslie Finnan
Director of Policy & Advocacy