



National Association of Federally Impacted Schools

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November 14, 2022

The Honorable Patty Murray
Chairwoman
Appropriations Subcommittee on Labor-
HHS-Education and Related Agencies
Senate U.S.

The Honorable Roy Blunt
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 Chairwoman Murray, Chairwoman DeLauro, Ranking Members Blunt and Cole:

The National Association of Federally Impacted Schools (NAFIS) writes to express our gratitude for your continuing support for Impact Aid and to **request that the final FY 2023 Labor HHS Education Appropriations bill include the House Appropriations Committee's approved \$57 million increase** for the program. Specifically, we support the adoption of the House Appropriations Committee's \$55 million increase for the Basic Support line item (Section 7003) and \$2 million increase for the Federal Property line item (Section 7002). School infrastructure remains a serious concern for our members and thus **we also support a \$1 million increase for Section 7007 Construction as the Senate Appropriations Committee Majority has proposed.**

NAFIS represents the 1,100-plus Impact Aid-recipient school districts that together educate 10 million students across the nation. Impact Aid is the oldest elementary and secondary education program and represents 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, Alaska Native Claims Settlement Act 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.

Unfortunately, even with funding increases in FY22, Impact Aid remains underfunded. The nation's current high inflation rate further compounds the financial pressure that Impact Aid school districts face. The **Basic Support** program (Impact Aid Section 7003), which provides additional funding for school districts that educate federally connected students based on a formula that considers need as well as per pupil expenditures, is funded at only

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60% of need each year. In FY20, after more than a decade underwater, Federal appropriations were finally sufficient to fully fund the neediest Impact Aid school districts. However, hundreds of other federally impacted school districts continually receive insufficient funding.

The **Federal Property** portion of Impact Aid (Section 7002), which compensates school districts directly for lost property tax revenue due to the Federal government's ownership of land within school district boundaries, has received small funding increases over the last few funding cycles. While we appreciated the \$1 million increase for FY22, we support the \$2 million increase for FY23 that the House Appropriations Committee approved and which NAFIS requested originally. This increase would help offset the increased assessed value of the taxable land on which a Federal Property district's eligible land is compared when determining their payment.

The **Children with Disabilities** section of Impact Aid (Section 7003(d)), which provides funding for military-connected or Indian lands students with active IEPs, has received no increases since 2008 even with rising costs of special education services. In FY22, the \$48 million annual appropriation for this part of Impact Aid paid out at \$1,205 per eligible pupil for students living on Federal property (or \$602.50 for military-connected students who do not live on a military installation). For purposes of comparison, the amount per eligible pupil in FY18 was \$1,215.65. Given limited funds within IDEA and increasing numbers of students with IEPs, this section of Impact Aid requires additional support.

Finally, the **Construction** section of Impact Aid (Section 7007) receives very little support, languishing at a \$17 million level for the past several years. For comparison, in FY05, Section 7007 received just over \$45 million. Therefore, we support the Senate draft's proposed \$1 million increase for this line-item. We also recommend that FY23 Impact Aid Section 7007 funds be distributed under Section 7007(b) competitive grants, since FY22 funds will be dispersed through Section 7007(a) formula grants.

We hope that you will continue to show support for Impact Aid in FY23 by providing additional, urgently needed support for its Basic Support and Federal Property sections.

Sincerely,



Nicole Russell
Executive Director