



National Association of Federally Impacted Schools

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March 25, 2025

Hon. Shelly Moore Capito, Chair
Subcommittee on Labor HHS and Education
Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

Hon. Tammy Baldwin, Ranking Member
Subcommittee on Labor HHS and Education
Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

Hon. Robert Aderholt, Chair
Subcommittee on Labor HHS Education
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Hon. Rosa DeLauro, Ranking Member
Subcommittee on Labor HHS Education
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Chair Capito, Chair Aderholt, Ranking Member Baldwin, and Ranking Member DeLauro:

The National Association of Federally Impacted Schools (NAFIS) requests **that you provide at least \$1,696,651,000 for the U.S. Department of Education's Impact Aid Program for FY 2026, a \$71.5 million increase over FY 2024 enacted levels. Specifically, we request \$82.5 million for Federal Property (a \$3.5 million increase), \$1,539,000,000 billion for Basic Support (a \$65 million increase), \$20.5 million for Construction (a \$1.5 million increase), and \$49,816,000 million for Children with Disabilities (a \$1.5 million increase) for FY 2026.**

NAFIS represents more than 1,000 Impact Aid-recipient school districts that educate nearly 8 million students nationwide. Impact Aid is the oldest elementary and secondary education program and represents a partnership between the Federal Government and those local communities where it holds 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.

NAFIS is grateful for Congress's past bipartisan support of the Impact Aid program and hopes that strong support will continue in FY 2026. Federally impacted school districts cannot afford stagnant appropriations or a loss of funding, given their continuing high student needs and high inflation.

Section 7003 Basic Support: This cornerstone account of Impact Aid provides formula funding to support the students attending federally impacted public schools. This formula is based on several factors, including the cost of education, per pupil expenditures, and need. Because the federal government has been unable to fully meet its obligations to this program since 1969, underfunding it by nearly 40%, the actual allotments to school districts are further reduced on a prorated basis. We appreciate that Congress has recognized this historic shortfall by increasing funding in recent years and

THE NAFIS FAMILY

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request that Congress continue to work toward full funding by providing another incremental increase in FY 2026. NAFIS supports a \$65 million increase for the coming fiscal year, which would build on increases provided in previous years and help the program keep pace with the rising education costs.

Section 7003(d) Children with Disabilities: Another essential element of Impact Aid is the Children with Disabilities section, which provides funding for military-connected and Indian lands students with active Individualized Education Programs (IEPs). NAFIS seeks a \$1.5 million increase for this line item.

Section 7002 Federal Property: For Section 7002 payments, which provide formula funding based on the actual property in the school district owned by the Federal Government, we request an additional \$3.5 million in FY 2026. These funds will help ensure all federally impacted schools have the resources they need to provide a high-quality education to their students, partially offsetting new costs as the Federal Government continues to take property off local tax rolls and the value of taxable land on which the funding formula is based increases.

Section 7007 Construction: Finally, the Construction section of Impact Aid, which allows federally impacted schools to make critical renovations to their buildings, has received minimal federal funding until much-needed increases in recent years. For FY 2026, we request a \$1.5 million increase. Additionally, we recommend that FY 2026 Impact Aid Section 7007 funds be distributed under Section 7007(a) formula grants since FY 2025 funds will be dispersed through Section 7007(b) competitive grants. This request tracks with language inserted annually in appropriation bills that call for even-year dollars to be paid out under the formula provision 7007(a) and odd-year dollars to be paid out under 7007(b) competitive grants.

Additional investments in Impact Aid are critical to help school districts close achievement gaps, update technology, expand access to early childhood and afterschool programs, provide school-based mental health supports, replace failing infrastructure, offer competitive salaries to recruit and retain school leaders, and more. Through increased funding, we ask you to continue to view the program as a critical Federal investment and a tax replacement program for federally impacted communities.

Sincerely,



Nicole Russell
Executive Director

CC: US Senate and US House of Representatives