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## **Delayed Impact Aid Jeopardizes Critical School Services as Shutdown Drags On**

*NAFIS survey reveals districts are cutting programs, freezing hiring, and bracing for deeper impacts*

**Washington, D.C. – November 7, 2025** – As the federal government shutdown enters its sixth week, the National Association of Federally Impacted Schools (NAFIS) warns that delayed Impact Aid payments are destabilizing school districts across the country. A new survey of 90 federally impacted school districts shows more than one third are already feeling the strain, with many cutting programs, freezing hiring, and drawing on reserves to stay open.

Impact Aid reimburses school districts for lost revenue and added costs tied to nontaxable federal property, such as military installations, Indian trust and restricted lands, Alaska Native lands, national parks, and other federally owned sites. Unlike most districts, those with federal land cannot rely on property taxes to fund education. In some communities, Impact Aid makes up more than half of the total budget, paying for teacher salaries, special education services, student transportation, and critical classroom programs.

Because Impact Aid is funded for the current school year, payment delays—such as during a government shutdown—have immediate consequences. According to the survey, conducted October 17 – November 3:

- More than 15% of districts say they already have or will need to cut or reallocate spending by the end of November if payments do not resume; another 20% expect to reach that point in December.
- Districts are already freezing spending, postponing maintenance, deferring purchases, eliminating services, and drawing on reserves.
- Student programs, staffing, and safety upgrades are among the first areas at risk if the shutdown continues.

Notes an Arizona school business manager, “We are evaluating our cash balances and operating budget week to week; much needed transportation supplies (tires, batteries, etc.) orders are on hold. Maintenance of our buses is very important as we transport students within a radius of 50 miles.”

“Districts are already making painful decisions because Impact Aid payments haven’t arrived,” said NAFIS Executive Director Cherise Imai. “These delays are not just inconvenient. They are dismantling student support systems and threatening the stability of entire communities.”

Beyond financial strain, district leaders report increased anxiety among staff and communities, and they warn the shutdown is weakening long-standing federal obligations to tribal and military communities. With the Impact Aid Office staff furloughed, districts lack access to technical assistance for the current year and upcoming applications.

“Impact Aid is not optional—it’s the backbone of education funding in hundreds of federally impacted communities,” Imai said. “The longer payments are stalled, the more these communities suffer. NAFIS urges Congress to end the shutdown and the Administration to restore staffing at the U.S. Department of Education Impact Aid Office to ensure districts can provide the high-quality education that their students deserve.”

As a Montana superintendent put it, “Without Impact Aid, school closes.”

*Impact Aid Payment Delays Disrupt School Districts Nationwide*, a short report featuring district voices and survey findings, is available on [nafisdc.org](http://nafisdc.org).

*To request more information, schedule a conversation with a NAFIS team member, or speak with a representative from a federally impacted school district, contact Anne O’Brien, NAFIS Communications Director, at [anne@nafisdc.org](mailto:anne@nafisdc.org).*

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The National Association of Federally Impacted Schools (NAFIS) represents approximately 1,100 federally impacted public school districts that together educate nearly eight million students across the nation. Federally impacted school districts are those located on or near nontaxable Federal property, including military installations; Indian trust and restricted lands; Alaska Native Claims Settlement Act Lands; Federal low-income housing facilities; and national parks, national laboratories, and other Federal buildings and property. These school districts receive Impact Aid, a Federal education program that reimburses school districts for the lost local revenue and additional costs associated with the presence of Federal property. To learn more, visit [www.nafisdc.org](http://www.nafisdc.org).