

IMPACT AID OVERVIEW

(TITLE VII - EVERY STUDENT SUCCEEDS ACT)

The Federal government is exempt from paying taxes on its property. Therefore, Federal property located within a community imposes a financial burden on local taxpayers. Congress created the Impact Aid Program to reimburse school districts for lost local tax revenue.

Examples of Federal impactation:

- Military installations
- Indian trust, restricted, and Alaska Native Claims Settlement Act lands
- Federal low-rent housing facilities
- Civil service activities (VA hospitals, Federal laboratories, national parks, etc.)

Federal impactation:

- Causes a loss of local tax revenue due to the presence of **Federal property**.
- Results in additional costs due to the enrollment of **federally connected children**.

Impact Aid:

- Makes up for lost tax revenues.
- Levels the playing field for federally impacted school districts.

Impact Aid funds are efficient, flexible, and locally controlled.



Impact Aid funds are appropriated annually by Congress. The U.S. Department of Education disburses the funding directly to school districts.



School district leaders decide how Impact Aid funds are spent, including for staff, materials, transportation, technology, facility needs, etc.

Impact Aid:



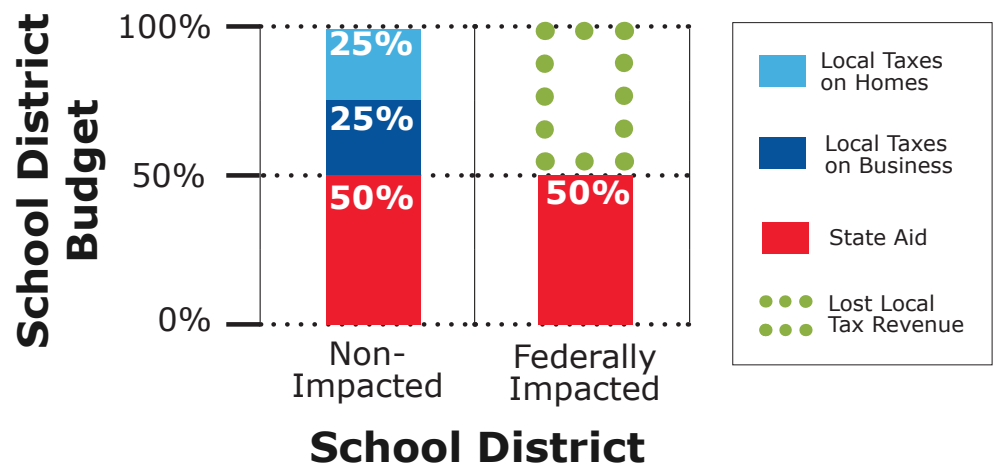
\$1.6 billion



Approximately 1,100 school districts educating



Nearly 8 million students



Program Section	Description	FY26
7002 Federal Property	School districts with a large percentage of Federal property (VA hospitals, Federal laboratories, national parks, etc.).	\$80,000,000
7003 Basic Support	School districts that educate federally connected students: Indian Lands, Military on/off property, Civilian on/off base, Low-Rent Housing.	\$1,477,000,000
7003(d) Disabilities	Payments for Military and Indian Lands students with disabilities for IDEA eligible activities.	\$49,316,000
7007 Construction	Payments for construction allocated by formula and competitive grants.	\$19,000,000
7008 Facilities	Payments for updates to facilities owned by the U.S. Department of Education.	\$4,835,000

Total: \$1,630,151,000