



National Association of Federally Impacted Schools

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March 23, 2026

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 \$1,701,851,000 for the U.S. Department of Education's Impact Aid Program for FY 2027, a \$71.5 million increase over FY 2026 enacted levels. Specifically, we request \$83.5 million for Federal Property (a \$3.5 million increase), \$1.542 billion for Basic Support (a \$65 million increase), \$20.5 million for Construction (a \$1.5 million increase), and \$50.816 million for Children with Disabilities (a \$1.5 million increase) for FY 2027.

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 trust and restricted lands, 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 2027. Federally impacted school districts cannot afford stagnant appropriations or funding losses, which directly translate into larger class sizes, delayed facility repairs, reduced special education services, and diminished academic supports in communities that already shoulder the federal government's presence.

Section 7003 Basic Support: This cornerstone Impact Aid account provides formula funding to support students attending federally impacted public schools. This formula is based on several factors, including the cost of education, per-pupil expenditures, and need. The federal government has been unable to fully meet its obligations to this program since 1969, underfunding it by nearly 40 percent on

THE NAFIS FAMILY

FLISA
Federal Lands Impacted
Schools Association

MISA
Military Impacted
Schools Association

LO-ISA
Learning Opportunity
Impacted Schools Association

NIISA
National Indian Impacted
Schools Association

average, resulting in annual prorations to districts that rely on Impact Aid as a core revenue source. Recent congressional increases have helped mitigate this shortfall, and we urge continued progress toward full funding in FY 2027. 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 account that supports military-connected and Indian lands students with active Individualized Education Programs (IEPs) and the additional costs associated with specialized instruction and related services. As identification and service needs continue to grow, NAFIS seeks a \$1.5 million increase for FY 2027.

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 2027. 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 2027, we request a \$1.5 million increase.

We further recommend that FY 2027 Section 7007 funds be distributed through the 7007(a) formula program, consistent with long-standing appropriations language alternating formula grants and 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.

We respectfully urge you to prioritize these requested funding levels in the FY 2027 Labor, HHS, and Education appropriations bill to ensure federally impacted school districts can continue meeting their educational obligations to students.

Sincerely,

A handwritten signature in black ink, appearing to read "Cherise Imai". The signature is written in a cursive, flowing style.

Cherise Imai
Executive Director