

United States Senate

WASHINGTON, DC 20510

April 17, 2026

Hon. Shelley Moore Capito, Chair
Subcommittee on Labor, HHS, Education and
Related Agencies
Senate Committee on Appropriations
Washington, DC 20510

Hon. Tammy Baldwin, Ranking Member
Subcommittee on Labor, HHS, Education
and Related Agencies
Senate Committee on Appropriations
Washington, DC 20510

Dear Chair Capito and Ranking Member Baldwin,

We urge you to recognize the importance of the Federal Impact Aid Program as you set the Appropriations Subcommittee's funding priorities for Fiscal Year (FY) 2027. We request strong and continued funding for all line items of the Impact Aid Program, including Section 7003 Basic Support Payments and Section 7002 Federal Property to ensure all federally connected school districts can provide a quality education.

Congress created Impact Aid in 1950 in recognition that the federal government needed to accept responsibility in areas impacted by a federal presence and help meet the local responsibility of financing public education. Impact Aid provides a payment in lieu of taxes to local school districts for lost revenue resulting from tax-exempt federal property and actions that have increased expenditures due to the enrollment of federally connected children. The program provides direct, flexible funding to approximately 1,100 school districts nationwide. Impact Aid funds various programs, including facility renovation, efforts to retain highly qualified teachers, providing adequate technology, and maintaining transportation fleets. For many districts, this funding represents the very lifeblood that allows their school systems to operate.

Congress should prioritize Basic Support Payments to maintain the current payout level for school districts. For districts enrolling military children, the ability to address both the academic and emotional needs of these students must be sustained. Children's education is a quality-of-life issue for military families, and it is our firm belief that as military personnel defend our country, we must not forget or ignore the needs of their children, who are most likely to be the next generation of servicemen and women.

The needs of districts enrolling children who reside on Indian trust and restricted lands—of whom over 93 percent are Native American—also must not be overlooked. These districts are vital to developing culturally responsive curricula, land-based learning, and strong community and cultural relationships that prepare students for lifelong success. These school districts are often located in rural areas, with few taxpayers and where administrators double as bus drivers, teachers, and coaches. Impact Aid dollars help to provide a foundational education for all students, and many schools would close their doors without its vital support.

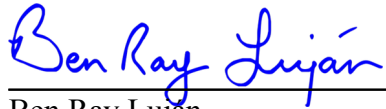
Federal Property school districts depend on Impact Aid due to a limited local tax base caused by the presence of certain federal land in their districts, including national parks and grasslands, national laboratories, Army Corps of Engineers projects, and property that encompasses the military academies. In some of these communities, the federal government is the largest landowner, significantly diminishing a school district's revenue base. Congress should prioritize this funding stream to reflect the increased value of Federal land in Federal property districts.

We urge the Subcommittee to provide strong funding for the Impact Aid Construction program under Section 7007. This program supports districts with high percentages of federally connected students and limited local tax bases in repairing and modernizing school facilities. Increased investment is essential to ensure students have access to safe and effective learning environments. Additionally, we request that FY2027 Section 7007 funds be distributed through the 7007(a) formula program, consistent with long-standing appropriations language alternating formula grants and competitive grants.

Impact Aid funding also provides additional payments to school districts based on the number of federally connected children eligible for services under the Individuals with Disabilities Education Act (IDEA). The Children with Disabilities line item received a small increase last year – the first increase it had seen in well over a decade – and is not keeping up with inflation.

We urge you to support strong and continued funding for the Impact Aid Program. The potential of long-term funding stagnation or program cuts is of serious concern, given the changing needs of federally connected districts and the students they serve. Impact Aid is not only the federal government's obligation but also a critical form of tax relief for local communities. Thank you for your thoughtful consideration of our request.

Sincerely,



Ben Ray Lujan
United States Senator



Thom Tillis
United States Senator



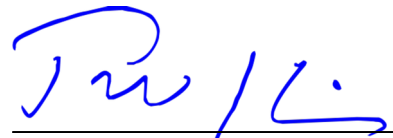
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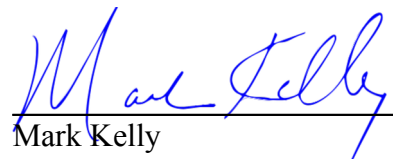
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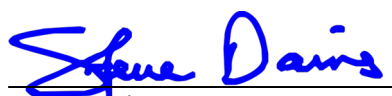
Mark Kelly
United States Senator

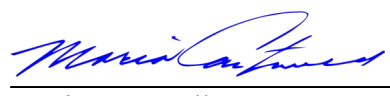

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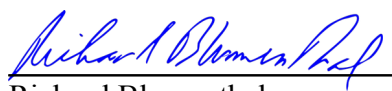

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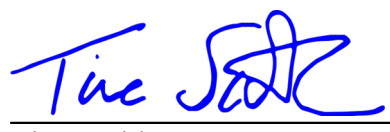

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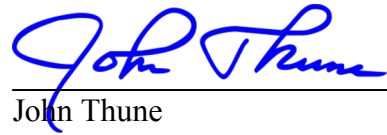
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