National Association of Federally Impacted Schools

Advancing Toward Impact Aid Full Funding Act

S.2921 / H.R.5195

Most public school districts rely on local taxes and fees for funding. However, federal property—such as military installations, Tribal lands, federal low-rent housing, and other federal properties and facilities—is tax-exempt. As a result, public school districts containing federal land have significantly less tax revenue to meet students' needs than other school districts do.

In 1950, Congress established Impact Aid to partially reimburse school districts for the lost revenue and additional costs incurred due to the presence of nontaxable federal property. Impact Aid provides payments in lieu of taxes to schools, which can be used for instructional materials, staffing, and other educational expenses. It supports approximately 1,100 federally impacted public school districts that together educate nearly eight million students nationwide, yet it has not been fully funded in more than 50 years.

When appropriations do not meet school district needs (as calculated by the formula in the Impact Aid law), they are prorated. Most school districts eligible for Impact Aid Basic Support payments (the largest Impact Aid program) never see their maximum allocations, which impacts the educational opportunities available to students in their district.

The *Advancing Toward Impact Aid Full Funding Act* establishes a five-year plan to achieve full funding by Fiscal Year 2031 across four primary funding categories. These include:

- Basic Support Payments: An increase of approximately $172 million annually, to compensate school districts for enrolling federally connected children such as military dependents, children living on tribal lands, and students whose parents live or work on federal property;
- Payments for Federal Property: An increase of approximately $33 million annually, to reimburse districts for land acquired by the federal government that no longer generates tax revenue;
- Children with Disabilities: An increase of $14 million annually, to help Impact Aid districts provide essential services for students with disabilities;
- Construction: An increase of $5 million annually, to support facility upgrades and repairs in districts with concentrations of military and tribal students.

Endorsements: National Association of Federally Impacted Schools (NAFIS), Blue Star Families, Military Child Education Coalition (MCEC), Military Officers Association of America (MOAA), National Rural Education Association (NREA), National Association of Secondary School Principals (NASSP), Association of School Business Officials International (ASBO), National Education Association (NEA), Association of Educational Service Agencies (AESA), Federal Lands Impacted Schools Association (FLISA), Learning Opportunity Impacted Schools Association (LO~ISA), Military Impacted Schools Association (MISA), National Indian Impacted Schools Association (NIISA), and The School Superintendents Association (AASA)

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