

# IMPACT AID FACT SHEET



## WHAT IS IMPACT AID?:

Many local school districts across the United States include within their boundaries parcels of land that are owned by the Federal Government or that have been removed from the local tax rolls by the Federal Government, **including Indian lands**. These school districts face special challenges--they must provide a **quality education** to the children living on the Indian and other Federal lands, while sometimes operating with less local revenue than is available to other school districts, because the Federal property is exempt from local property taxes.

Since 1950, Congress has provided financial assistance to these local school districts through the Impact Aid Program. Impact Aid was designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt Federal property, or that have experienced increased expenditures due to the enrollment of federally connected children, including children living on Indian lands. The Impact Aid law (now Title VIII of the Elementary and Secondary Education Act of 1965 (ESEA)) provides assistance to local school districts with concentrations of children residing on Indian lands, military bases, low-rent housing properties, or other Federal properties and, to a lesser extent, for children who have parents in the uniformed services or employed on eligible Federal properties who do not live on Federal property.

## ARE THERE DIFFERENT KINDS OF IMPACT AID? WHAT MAKES A DISTRICT ELIGIBLE FOR A SPECIFIC TYPE OF IMPACT AID?:

Yes, there are four different types of impact aid and their names and eligibility requirements are as follows:

### *PAYMENTS FOR FEDERAL PROPERTY (SECTION 8002)*

Payments for Federal Property assist local school districts that have lost a portion of their local tax base because of Federal ownership of property. To be eligible, a school district must demonstrate that the Federal Government has acquired, **since 1938**, real property with an assessed valuation of **at least 10 percent** of all real property in the district at the time of acquisition.

### *BASIC SUPPORT PAYMENTS (SECTION 8003(B))*

Basic Support Payments help local school districts that educate federally connected children. These may be the children of members of the uniformed services, children who reside on Indian lands, children who reside on Federal property or in federally subsidized low-rent housing, and children whose parents work on Federal Property. In general, to be eligible for assistance a local school district must educate **at least 400** such children in average daily attendance, **or** the federally connected children must make up **at least 3 percent** of the school district's total average daily

attendance. Heavily Impacted Districts that enroll certain percentages of federally connected children and meet other specific statutory criteria, receive increased formula payments under Section 8003(b)(2).

#### *CHILDREN WITH DISABILITIES PAYMENTS (SECTION 8003(D))*

Payments for Children with Disabilities provide additional assistance to school districts that educate federally connected children who are eligible for services under the Individuals with Disabilities Act (IDEA). These payments are in addition to Basic Support Payments and IDEA funds provided on behalf of these children. A school district that receives these funds **MUST** use them for the increased costs of educating federally connected children with disabilities.

#### *CONSTRUCTION GRANTS (SECTION 8007)*

Construction Grants go to local school districts that educate high percentages of certain federally connected children — both children living on Indian lands and children of members of the uniformed services. These grants help pay for the construction and repair of school buildings. Section 8007(a) provides formula grants to the local school districts based on the number of eligible federally connected children they educate. Section 8007(b) provides competitive grants for emergency repairs and modernization.

#### **HOW DOES A SCHOOL DISTRICT APPLY?:**

Local school districts must submit an application annually. Applications are available from the Impact Aid Program beginning in November and must be submitted by January 31. A school district must provide in its application specific information about the local federal property, the number of children enrolled that are associated with the federal property, and the total membership and average daily attendance in the schools. State departments of education must also provide some data.

#### **HOW CAN SCHOOL DISTRICTS USE IMPACT AID?:**

School districts use Impact Aid for a wide variety of expenses, including the salaries of teachers and teacher aides; purchasing textbooks, computers, and other equipment; after school programs and remedial tutoring; advanced placement classes; and special enrichment programs. Most Impact Aid funds are considered general aid to the recipient school districts and may be used in whatever manner they choose, in accordance with state and local requirements. Although most school districts use Impact Aid for current expenditures, funds may also be used for capital expenditures. Payments for Children with Disabilities must be used for the extra costs of educating these children.

#### **PAYMENTS:**

In order to be eligible for Impact Aid payments, a school district must have an enrollment of at least 400 federally connected students or the number of those children must be at least 3 percent of the average daily attendance (ADA). Each district, using a federal Parent-Pupil Survey, collects enrollment information annually. Survey numbers are used as the basis for payment calculations for the following school year.

More information available at: <http://www2.ed.gov/about/offices/list/oese/impactaid/index.html>