



IMPACT AID & SEQUESTRATION

Jocelyn Bissonnette

National Association of Federally Impacted Schools

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NAFIS



- ❖ Founded in 1973
- ❖ Non-profit, non-partisan association of Impact Aid recipient school districts

Mission:

- ❖ Educate Congress, the Administration about Impact Aid
- ❖ Provide technical assistance to school districts and Congress
- ❖ Advocate for Impact Aid funding and policy (ESEA Title VIII)
- ❖ Serve as umbrella organization for subgroups

Examples of “Federal Impaction”



- Military installation
- Indian Trust, Treaty, Alaska Native Claims Settlement land
- Federal low rent housing facilities
- Civil service activities
 - ❖ VA Hospitals, Federal laboratories, prisons
 - ❖ Federal parks, forests, grasslands

What's the Impact on Public School Districts?



House Education and Labor Committee report found that Federal impaction creates two problems:

- 1.) Federal ownership of property reduces local tax income for school purposes.
 - 2.) A Federal project/activity causes an influx of people into a community, resulting in an increased number of children needing an education.
- ❖ Since the land is tax exempt, the federal government has not accepted “*the responsibility of the normal citizen in a community*” to meet its financial obligation to support public schools.



Impact Aid

The Federal Government assists public schools in addressing challenges at the local level (poverty, illiteracy etc.)

The financial challenges of federally impacted schools were **caused by the Federal Government**

Impact Aid is the Federal Government's obligation

Impact Aid is like Uncle Sam's tax bill

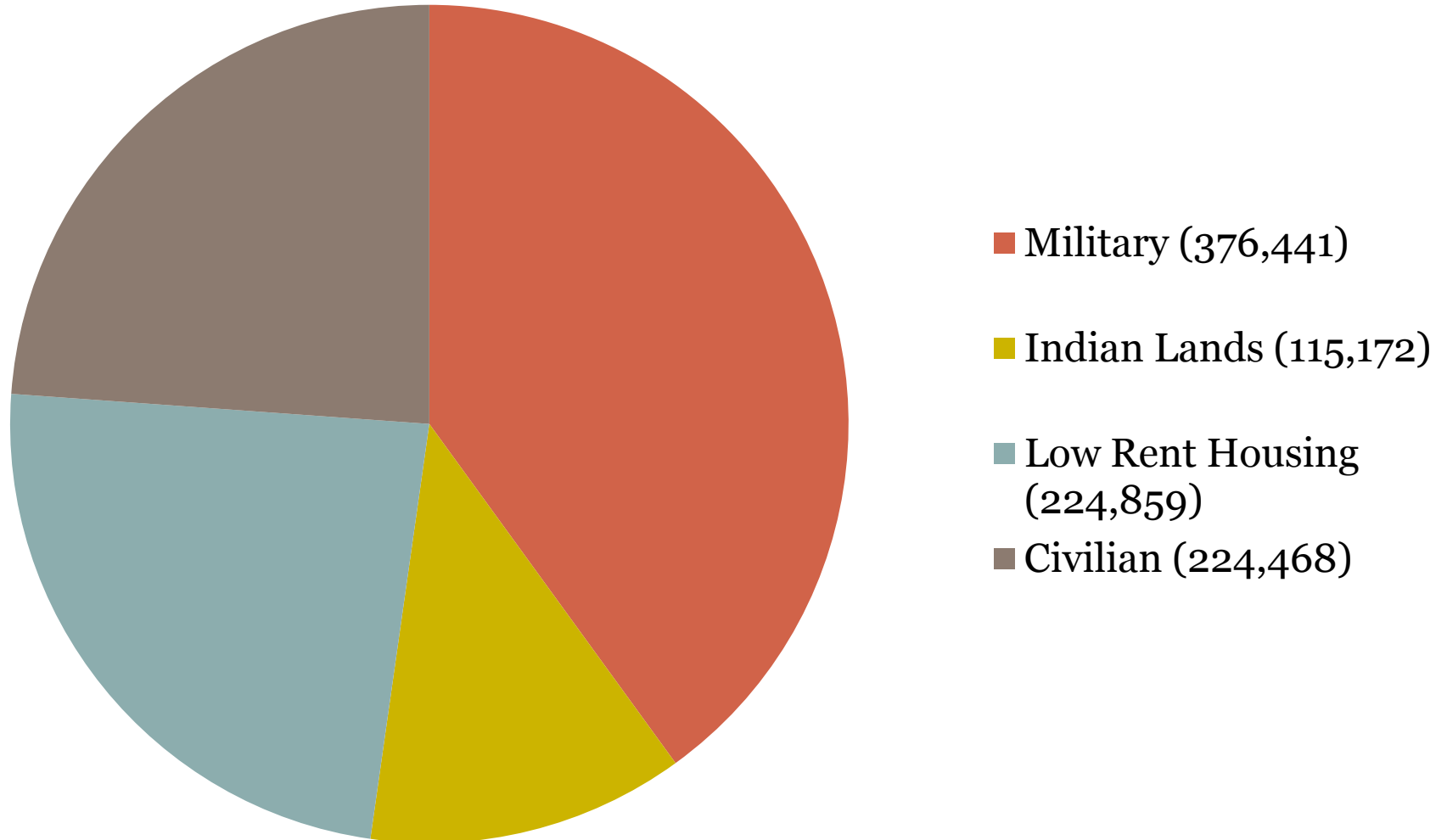
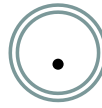


Impact Aid



- ❖ Signed into law in 1950
- ❖ Administered by the U.S. Department of Education (Title VIII of ESEA)
- ❖ Payment in lieu of taxes that goes directly to school districts
- ❖ Impact Aid may be used for any general fund purpose (salaries, curriculum materials, technology, bus fleets, etc.)
- ❖ 1,400 school districts

940,000 “Federally Connected Children” Nationwide



Top Ten States



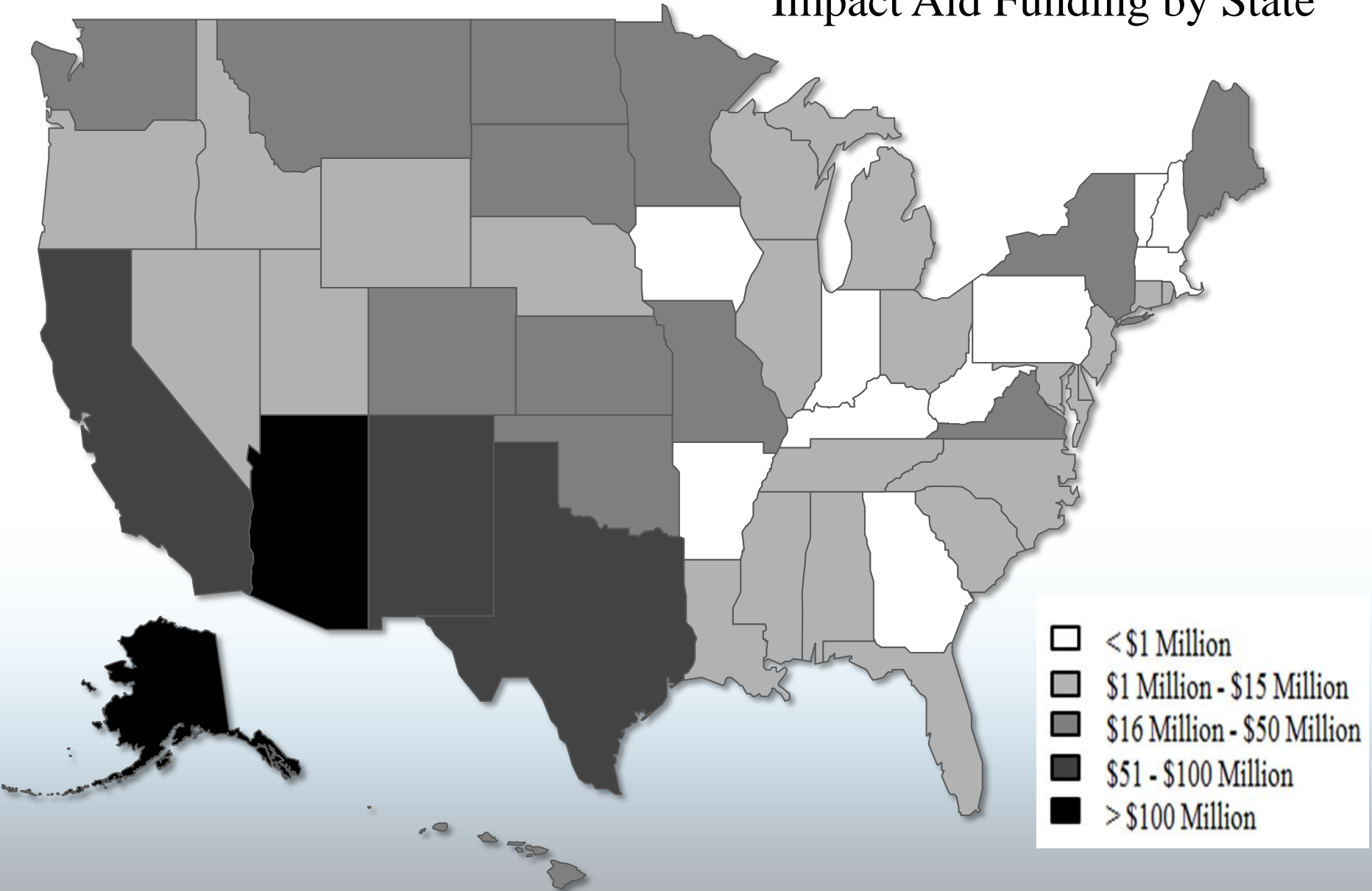
Impact Aid Funding

1. Arizona
2. Alaska
3. Texas
4. New Mexico
5. California
6. South Dakota
7. Montana
8. Washington
9. New York
10. Hawaii

Federally Connected Children

1. Virginia
2. New York
3. Texas
4. California
5. Florida
6. North Carolina
7. Arizona
8. Maryland
9. Washington
10. Georgia

Impact Aid Funding by State

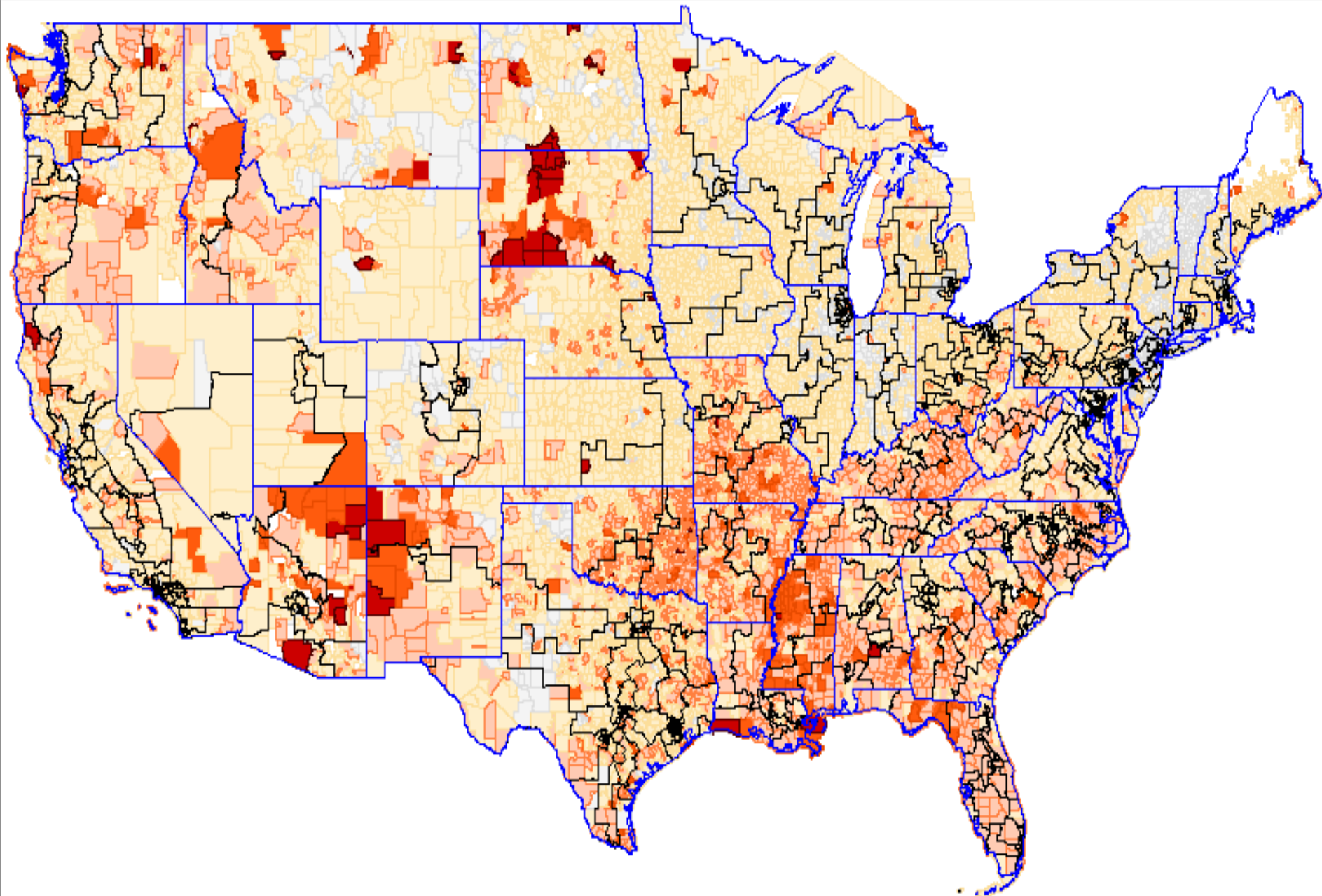


Sequestration – Hurting the Most Vulnerable



- ❖ Unique communities serving unique populations
- ❖ Districts are operating without a regular local tax base (e.x. MN and WA)
- ❖ Not fully funded since 1970
- ❖ Impact Aid can comprise more than 50% of a district's operating budget
- ❖ Across-the-board cuts disproportionately impact districts that rely more on federal funding

School District by % of Federal Revenue (map by AASA/ProximityOne)



Sequestration Impact Was Immediate and Direct



- Impact Aid is current year funded (no forward/advanced appropriations). Budgeting is difficult in a “normal year.”
 - ❖ FY13 Title I: Appropriations finalized 10/12, become available 7/13 for 2013-2014 school year
 - ❖ FY13 Impact Aid: Appropriations finalized 10/12, become available immediately for current, 2012-2013, school year
- \$68 million cut to Impact Aid on March 1, 2013
- 2012-2013 school year: Reduced programs for Impact Aid
- 2013-2014 school year: Districts are prepared for additional cuts to Impact Aid and initial cuts to Title I, IDEA, etc.

Impacts of Sequestration



- ❖ Defer maintenance and/or purchases (144 districts)
- ❖ Eliminate non-instructional staff (112 districts)
- ❖ Increase class sizes (102 districts)
- ❖ Reduce professional development (96 districts)
- ❖ Eliminate instructional staff (94 districts)
- ❖ Reduce academic programs (54 districts)
- ❖ Eliminate extracurricular/summer activities (46)
- ❖ Cut transportation budgets (41)
- ❖ Close/consolidate schools (8)

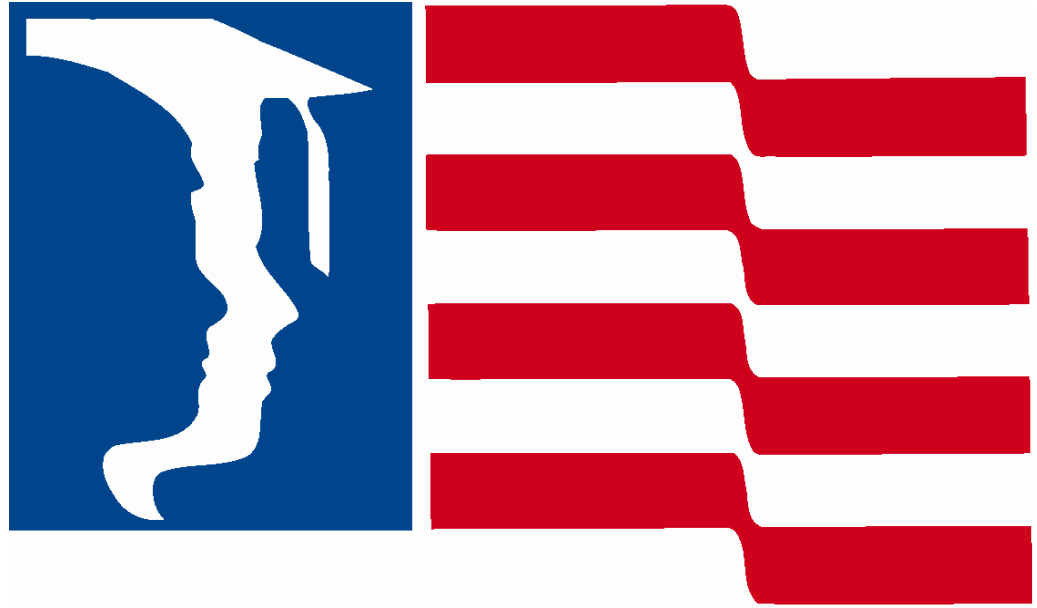
Sequestration – Having a Real Impact on Schools



- ❖ Hays/Lodge Pole, MT: Cut all classified staff except a secretary, moved K-6 into high school, operating 8 y/o computers, concerned about suicides rate if counselors let go.
- ❖ Fairborn City, OH: Cut 6 elementary and 5 secondary teachers, 4 gifted teachers, 3 Title I teachers, 1 music teacher, 3 literacy collaborative teachers.
- ❖ Plummer-Worley, ID: Eliminated all athletic funding, cut 2 full-day kindergarten classes to 1 half-day class, going to a 4-day school week.
- ❖ Lackland, TX: Cut specialized pre-K-3 program, higher fee for student meals, language courses eliminated.



**THANK
YOU**



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