

## History:

The Impact Aid law (now Title VIII of the Elementary and Secondary Education Act of 1965) has been amended numerous times since its inception in 1950. The program continues, however, to support local school districts with concentrations of children who reside on Indian lands, military bases, low-rent housing properties, and other Federal properties, or who have parents in the uniformed services or employed on eligible Federal properties. The law refers to local school districts as local educational agencies, or LEAs.

1950 – Original legislation enacted by P.L. 81-815 and P.L. 81-874

1994 – Became Title VIII of the Elementary and Secondary Education Act (repealed 81-815 and 81-874) Due for reauthorization

## HOW DO SCHOOL DISTRICTS USE IMPACT AID?

Most Impact Aid funds, except for the additional payments for children with disabilities and construction payments, are considered general aid to the recipient school districts; these districts may use the funds in whatever manner they choose in accordance with their local and State requirements. Some Impact Aid funds must be used for specific purposes.

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. Payments for Children with Disabilities must be used for the extra costs of educating these children.



*The mission of the Impact Aid Program is to disburse Impact Aid payments to local educational agencies that are financially burdened by federal activities and to provide technical assistance and support services to staff and other interested parties.*

## IMPACT AID PROGRAM COMPONENTS

### **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 8003b)**

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 8003d)**

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(a) was not funded in fiscal year 2008. Section 8007(b) provides competitive grants for emergency repairs and modernization.

### **Facilities Maintenance (Section 8008)**

The U.S. Department of Education owns a limited number of school facilities that are operated by local educational agencies that serve military installations. Section 8008 grants help maintain these federally owned school facilities and restore or improve them where appropriate to enable an LEA to accept ownership. The Department directly oversees construction projects, unless the LEA has agreed to accept transfer of the facility, in which case funds may be provided to the LEA to complete the project after the transfer.

# IMPACT AID OVERVIEW

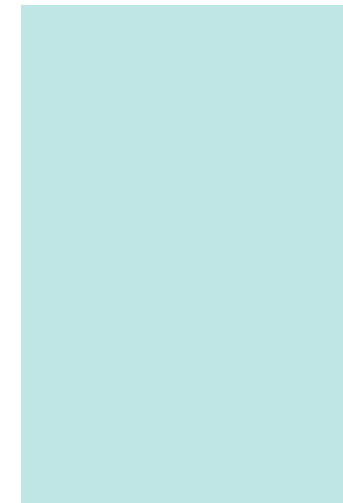
Many local school districts across the United States include within their boundaries parcels of land that are owned by the Federal Government or that have been removed from the local tax rolls by the Federal Government, including Indian lands. These school districts face special challenges — they must 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, concentrations of children who have parents in the uniformed services or employed on eligible Federal properties who do not live on Federal property.

Nearly 95 percent of the \$1.27 billion appropriated for FY 2012 is targeted for payment to school districts based on an annual count of federally connected school children. Nearly 2.68 percent assists school districts that have lost significant local assessed value due to the acquisition of property by the Federal Government since 1938. \$17.4 million is available for a competitive discretionary construction grant program for which certain Impact Aid-eligible school districts can apply.



*The Impact Aid Program recognizes our special responsibility to the federally connected children, including Children living on Indian lands and Military dependents- children who belong to all of America.*



## OESE MISSION:

Promote academic excellence, enhance educational opportunities and equity for all of America's children and families, and improve the quality of teaching and learning by providing leadership, technical assistance and financial support



# IMPACT AID PROGRAM

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