

## Fact Sheet: Impact Aid

The U.S. Department of Education (ED) and the U.S. Department of Defense (DoD) provide funding called Impact Aid to school districts that have high enrollments of Federally-connected students, such as children of military parents, or are located on or near Federally-owned land. School districts depend in part on property taxes and since they cannot levy property taxes on Federal property such as trust or restricted Indian Lands, military bases, low-rent housing properties, and others, Impact Aid funding ensures that this disparity does not harm the quality of education.

Today, nearly \$1.3 billion in Impact Aid is distributed to schools across the country, constituting a major source of general funding for over 1,300 school districts, or 9.8 percent of all districts. For some school districts, Impact Aid supplies as much as 75 percent of the local educational operating budget. Below is an overview of types of Impact Aid programs, their eligibility and application requirements, and links to additional information.

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### Types of ED Impact Aid

Impact Aid includes payments for the following four categories: Basic Support Payments, Payments for Property, Payments for Children with Disabilities and School Construction Payments.

#### Basic Support Payments

**Basic Support Payments (BSP) account for as much as 95 percent of all ED Impact Aid funding.** To be eligible for Basic Support through the Impact Aid program, a school district must meet one of two criteria:

- A district must have at least 3% or at least 400 Federally-connected students in their Average Daily Attendance (ADA)
- Children who live on Federal property or whose parent works on Federal property must equal 10% of the total enrollment, or 1,000 ADA

In addition to regular BSP, some districts are also eligible for additional funding through *Heavily Impacted District Payments* if they are located on a military installation; have a combination of high enrollment of Federally-connected students, high tax rates, and low per-pupil revenues; or meet certain other criteria.

#### Payments for Property

Impact Aid also provides Payments for Property to compensate school districts for loss of local property taxes on Federally-owned land. These payments are for districts that are located on military bases, Indian lands, or other areas types of land that are exempt from property taxes. Districts receive funding in these cases regardless of whether school-age children live on exempted lands. **Payments for Property differ from other forms of Impact Aid in this regard, as they are based on children enrolled within a given school district.**

### Payments for Children with Disabilities

These payments provide additional assistance to districts that educate Federally-connected children who are eligible for services under the Individuals with Disabilities Act (IDEA). Supplemental Payments for Children with Disabilities funds are provided in addition to Basic Support Payments. **These children must have Individual Education Plans (IEP) in effect when enrollment is counted. Districts that receive these funds must use them for the increased costs of educating Federally-connected children with disabilities.**

### School Construction Payments

**School Construction Payments help Federally-impacted areas finance education capital needs, but unlike the other Impact Aid programs, funding is available through *competitive, not formula grants*.** Forty percent of construction funds are set aside for districts that already receive Basic Support payments. The other 60 percent are awarded competitively and are designed to cover emergency repairs or modernization costs. To qualify, a school district must have at least 50% Indian land or uniformed services children or receive funding under the Basic Support Program for Heavily Impacted Direct Payments. **Impact Aid is the only ED program that allows funds to be used for school construction costs.**

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## ED Impact Aid Funding Formulas

**The most important vehicle for school districts receiving ED Impact Aid is the annual application process.** All school districts seeking funds under the Impact Aid program must submit an application to ED no later than January 31 each year in order to qualify.

The amount of Impact Aid funds a particular school receives is largely determined by the number of Federally-connected children that are enrolled. Schools must count these children in one of two ways:

- Survey parents annually to count the number of military students enrolled
- Provide the installation or employers with a list of children believed to be Federally-connected for verification (also called a *Source Check*)

In both cases, for the application the district is required to collect and certify the child's name, age, grade, school, parent name, parent work address (if civilian) or the rank and branch of service for member of the uniformed services.

**Only by counting all Federally-connected children can the school guarantee that it receives the maximum amount of Impact Aid. Parents, school leaders and School Liaisons must work together to ensure that survey forms are properly completed and returned on time.** This information is used by ED to qualify districts to receive funds. It is confidential and available only to school and Federal officials.

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## DoD Impact Aid

Within DoD, the Department of Defense Education Activity (DoDEA) Educational Partnership Program administers three DoD Impact Aid programs: Supplement Program, Children with Severe Disabilities Program (CWSD) and Large Scale Rebasing Program (BRAC). Eligibility for these programs is determined, in part, by data provided by ED.

### Supplement Program

**This program offers federal aid to districts where military children make up at least 20 percent of average daily attendance.** There is no application process because districts that meet the average daily requirement are contacted by DoD directly, based on eligibility data provided by ED. Funding for this program is awarded in June and has been allocated for the past 20 years at an average of \$35 million per year. In recent years, about 115 districts were eligible for funding from the Supplement Program.

### Children with Severe Disabilities Program (CWSD)

**This Program supports schools serving two or more military-connected children with severe disabilities that meet certain special education cost criteria.** To receive these funds, school districts must complete and submit an application, generally due in June of each year. Districts are notified of award in September. The average annual funding for this program has been \$4 million in recent years, and in 2010, 47 districts received DoD Impact Aid for CWSD.

### Large Scale Rebasing Program (BRAC)

**Although Congress does not always fund this program (none have been allocated since 2007), BRAC provides financial assistance to districts that are heavily impacted by an overall increase or reduction of their enrollment population.** Due to this large scale rebasing, eligible schools in this category have had a 20 percent average daily attendance of military-connected students in the previous year, and then a five percent increase or reduction and/or change by 250 students in the current year.

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## More Information About Impact Aid

- For more information about ED Impact Aid, eligibility requirements, application processes and agency contact information, visit <http://www2.ed.gov/about/offices/list/oese/impactaid/index.html>.
- To learn more about DoD Impact Aid, visit the site of a DoDEA partnership program called Military K-12 Partners at: <http://www.militaryk12partners.dodea.edu/impact.cfm>.