

## Module 5: Impact Aid

**Lesson One:** Overview of Impact Aid

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**Module Overview:** Welcome to Module 5: Impact Aid. This module will provide information about the history of Impact Aid programs from the Department of Education (ED) and the Department of Defense (DoD), their purpose, how they are administered, and suggestions for improving the participation of military families in Impact Aid form collection processes for the ED Impact Aid programs.

School Liaisons have an important role, especially in relation to ED Impact Aid programs. They often work with local school leaders, parents, and installation commanders to ensure that school districts serving their military-connected children qualify for the maximum allowable funds from Impact Aid programs. Maximizing the support to schools by School Liaisons is important for two reasons:

1. The more funds that are received by school districts, the more general operating funds they have available to provide needed services and programs for all children. This is especially important in challenging economic times.
2. Ensuring qualification for maximum allowable funds under Impact Aid programs is an excellent way for installations and local schools/school districts to work together for the betterment of local education. Supporting local efforts to gather data about military-connected families in timely and creative ways can build key relationships and shared knowledge.

The goal of this module is to ensure School Liaisons have the necessary information to search further and work more closely with local school leaders and installation commanders to ensure success. It gives School Liaisons a foundational understanding of the policies, application procedures, funding formulas, and best practices related to all Impact Aid programs. It is not designed to be a sole information source, especially not in describing the details of funding formulas.

**Learning Objectives:** Through this module, School Liaisons will be able to:

- Describe the purpose of ED Impact Aid and its role in supporting districts and schools.
- Understand the origins and history of Impact Aid in the United States.
- Understand the level of ED Impact Aid funding and its uses by local education agencies. Local education agencies (LEAs) can refer to school districts, school divisions and counties. Subsequently, in this module the term “school district,” or simply “district” will be used.
- Understand available types of ED Impact Aid funds and their eligibility criteria.
- Understand the ED Impact Aid application process
- Explain ED Impact Aid funding formulas and how they apply to policies and procedures.

- Describe the distinction between ED and DoD Impact Aid programs, including their missions and purposes.
- List and compare the three DoD Impact Aid programs.
- Identify channels of communication and develop an approach for supporting and increasing participation in the ED Impact Aid program.
- Identify best practices for completing information to support local participation in the ED Impact Aid data collection process.

## Lesson One: Overview of Impact Aid

**Overview:** Impact Aid programs from the U.S. Department of Education (ED) and the Department of Defense (DoD) provide financial support to school districts serving military-connected children. School Liaisons need to know about Impact Aid in order to work with school leaders, parents, and installation commanders to ensure that school districts serving military-connected students receive the maximum amount of allowable funds.

### Learning Objectives:

Upon completion of this lesson, the learner will be able to:

- Describe the purpose of ED Impact Aid and its role in supporting districts and schools.
- Understand the origins and history of Impact Aid in the United States.

## History of Impact Aid in the United States

Impact Aid is the oldest Federal program to support elementary and secondary schools. It is designed to compensate school districts for lost revenue due to the presence of Federal land, including military installations. Many 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 LEAs, defined as a system of schools connected to one district and/or public charter schools serving as their own LEA, face special challenges — they must provide 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 LEAs. Federal property is exempt from local property taxes, and since local property taxes contribute in the vicinity of 50 percent of a school district’s revenue depending upon the particular local laws, Impact Aid funds exist to help districts recoup the loss.

Current legislation supporting Impact Aid dates back to the Johnson-O’Malley Act of 1934, requiring the provision of funding to states for the purpose of supporting districts educating Native American children. The act addressed lost property tax revenue to schools operating on tax-exempt Federal property, such as Native American reservations. Then in 1950, Congress extended Impact Aid to help LEAs serve military-connected children as a result of large reassignments of military personnel and their families.

Since 1950, Congress has provided financial assistance to LEAs through the Impact Aid program, administered by the U.S. Department of Education. ED Impact Aid law — now Title VIII of the Elementary and Secondary Education Act (ESEA) — provides assistance to local school districts with 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.

The U.S. Department of Education is the fiscal agent for the Impact Aid Program. Congress has also provided additional Impact Aid funds on a much smaller scale to the Department of Defense (DoD). Both DoD and ED Impact Aid Programs are subject to congressional appropriations.

*Impact Aid programs overseen by ED are discussed in Lesson 2, and DoD Impact Aid programs are discussed in Lesson 4.*

## Lesson One Summary

### Key Points:

- Impact Aid programs from the U.S. Department of Education (ED) and the Department of Defense (DoD) provide financial support to school districts serving military-connected children or are located on federally connected land.
- Schools that receive Impact Aid sometimes operate with less local revenue than what is available to other districts because Federal property is exempt from local property taxes.
- Impact Aid Programs support local districts with concentrations of children that reside 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 military or employed on eligible Federal properties.

**Looking Forward:** Next, learn about ED Impact Aid funding and eligibility requirements for districts.

## Lesson Two: U.S Department of Education Impact Aid Funds and Eligibility Requirements

**Overview:** Understanding the eligibility requirements and enrollment policies of Department of Education (ED) Impact Aid funding to school districts helps School Liaisons inform and support families and schools working to ensure that districts receive the maximum allowable amount under the program.

### Learning Objectives:

Upon completing this lesson, School Liaisons will be able to:

- Understand the level of ED Impact Aid funding and its uses by LEAs.
- Understand available types of ED Impact Aid funds and their eligibility criteria.

## Current ED Impact Aid Funding

Today, the ED Impact Aid programs distribute nearly \$1.3 billion dollars to school districts with concentrations of children residing on trust or restricted Indian lands, military bases, or low-rent housing properties or other Federal properties. To a lesser extent, Impact Aid also supports concentrations of children who have parents in the uniformed services or employed on eligible Federal properties who do not live on Federal property. Here are some key facts about ED Impact Aid funding:

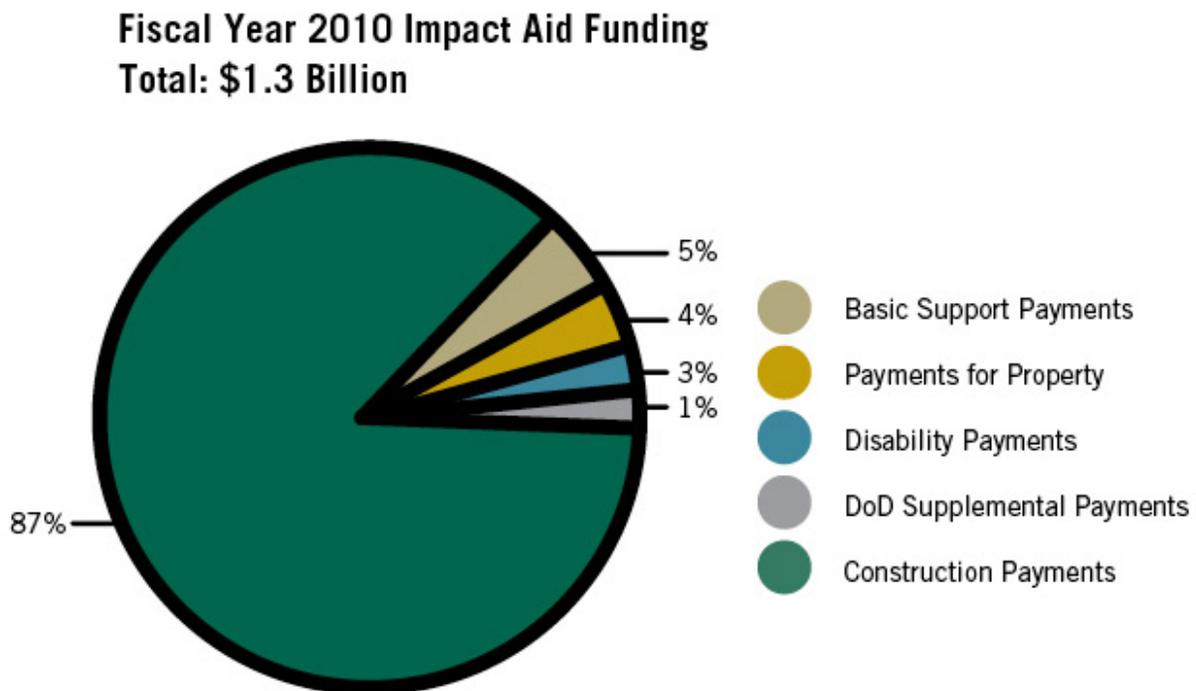
- Impact Aid is a major source of general funding for over 1,300 LEAs nationwide, or 9.8 percent of all districts.
- For some LEAs, Impact Aid supplies as much as 75 percent of the local educational operating budget.
- Impact Aid also provides additional assistance to approximately 700 LEAs that educate federally connected children who are eligible for services under the Individuals With Disabilities Education Act (IDEA).

The Impact Aid Program receives approximately \$17.5 million annually for school construction. Depending on the appropriations language, the funds are distributed either by formula or through the competitive grant process. To qualify for school construction funds, a school district must have 50 percent of children in average daily attendance who reside on Indian lands or who have an active-duty military parent.

Most Impact Aid funds, except for the additional payments for children with disabilities and construction payments, are considered general aid to the recipient LEAs. Since the purpose of Impact Aid is to replace local revenues lost due to the Federal activity, districts treat this Impact Aid as they would local revenues. School districts use the funds in whatever manner they choose in accordance with their state and local requirements. Most recipients use these funds for current expenditures to pay the salaries of teachers and teacher aides; to purchase textbooks, computers, and other equipment; to fund afterschool programs, remedial tutoring, advanced placement classes, and special enrichment programs. Recipients may also use the funds for other purposes such as capital expenditures.

## Impact Aid Funding Formulas

Federal funding formulas for Impact Aid include payments for the following four categories: Federal property, Basic Support Payments, payments for children with disabilities, and construction grants. The largest amount is allocated to Basic Support Payments, as illustrated in Figure 1 below, showing the percentages of total funding distributed in each category in 2009.



Impact Aid payment calculations are based on the counts for the previous year.

While all of these areas of funding are important, School Liaisons will likely encounter a need for information about the Impact Aid Basic Support and Children With Disabilities Programs. Here are the general guidelines for all the programs:

### Basic Support Payments

Basic Support Payments (BSP) account for as much as 95 percent of all Impact Aid funding. In order 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 percent or at least 400 federally connected students in their average daily attendance (ADA), or
- Children who live on Federal property or whose parent works on Federal property must equal 10 percent of the total enrollment or 1,000 ADA.

In addition to regular Basic Support Payments, some districts are also eligible for additional funding through Heavily Impacted District Payments. A district is eligible for these payments if it is located on a military installation; has a combination of high enrollment of federally connected students, high tax rates, and low per-pupil revenues; or meets certain other criteria. In 2009, 27 school districts received these payments, which accounted for 19.7 percent of all Basic Support Payments that fiscal year.

### **Children With Disabilities**

These payments provide additional assistance to LEAs that educate federally connected children who are eligible for services under the Individuals With Disabilities Education 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. A school district that receives these funds must use them for the increased costs of educating federally connected children with disabilities.

### **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 school districts that are located on military bases, Indian lands, or other types of land that are exempt from property taxes. Districts receive Impact Aid in these cases regardless of whether any 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.

A local school district qualifies for a property payment if federally exempted lands were owned since 1938 and are equal to at least 10 percent of all assessed value within the school district.

### **School Construction Payments**

School Construction Payments help federally impacted areas finance education capital needs, but unlike the other Impact Aid programs, they are *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 via a competitive grant process and are designed to cover emergency repairs or modernization costs.

To qualify, districts must have at least 50 percent Indian land or uniformed services children or receive funding under the Basic Support Program for Heavily Impacted Direct Payments. Impact Aid is the only Department of Education program that allows funds to be used for school construction costs.



## Lesson Two Summary

### Key Points:

- Impact Aid is a major source of general funding for 9.8 percent of U.S. school districts, and in some cases it supplies as much as 75 percent of the local educational operating budget.
- The Impact Aid Program receives approximately \$17.5 million annually for school construction that is distributed by competitive, not formula grants.
- Impact Aid provides Federal funds to support property taxes lost to Federal property, children with disabilities, and construction grants.
- Basic Support Payments account for nearly all Impact Aid funding.
- Districts must have at least 3 percent federally connected students in their average daily attendance or 10 percent of total student enrollment who live on Federal property or whose parent works on Federal property to be eligible for Basic Support Payment funds.
- Impact Aid calculations are based on counts from the previous year, so funding only impacts a current school year.

**Looking Forward:** Next, learn about the ED Impact Aid application process and funding formulas.

## Lesson Three: U.S. Department of Education Impact Aid Application Process and Formulas

**Lesson Overview:** The ED Impact Aid funding process and its respective funding formulas are important for School Liaisons to understand because the ability to successfully apply and calculate types of payments can greatly impact the the amount of funding an LEA can receive.

- **Learning Objectives:**

Upon completing this lesson, School Liaisons will be able to:

- Understand the ED Impact Aid application process.
- Explain ED Impact Aid funding formulas and how they apply to policies and procedures.

## Application Process

The most important vehicle for school districts receiving ED Impact Aid funds is the annual application process. The Impact Aid statute (Title VIII of the ESEA as amended by the No Child Left Behind Act) requires that all school districts seeking funds under the Impact Aid Program submit an application to the Department of Education in order to qualify. These applications are due no later than January 31.

School Liaisons need to know that a critical part of the application process is the annual district administration of parent surveys or source checks. The data from these surveys is a key part of a district's qualifications for receiving Impact Aid. Districts administer this survey at different times of the year, and it is important for School Liaisons to know when the school districts they work with administer the survey. More information is provided below.

Districts must include in their application the number of federally connected children enrolled in their district. The applications are submitted electronically by districts through the e-Application system (the link can be found in the Resource section of this module) and are generally available in November, allowing school districts plenty of time to collect and organize the data submitted in the application prior to the January 31 deadline.

The entire process includes the following steps:

- Survey parents.
- Submit the application.
- Keep required records - Necessary records include original survey forms, enrollment data, copy of the prior year's ADA, list of students with IEPs and their supporting documents.
- Conduct field review – This is a site visit by a Department of Education staff. All supportive documents submitted for the application must be on hand, including documentation of Reserve and National Guard members that have been activated.
- Distribute payments – Payments are made in stages and priority is given to Heavily Impacted Districts.

## Surveying to Provide Enrollment Data

When identifying the federally connected children in their membership, or enrollment rolls, the school district may count the number children in two ways:

- Surveys parents annually to count the number of military students enrolled
- Provide the installation or employer with a list of children it believes are Federally connected and have these entities verify the status (also called a source check).

In both cases, the district is required to collect and certify the child's name, age, grade, school, parent(s) name, parent(s) work address (if civilian) or the rank and branch of service for member of the uniformed services. The information is aggregated and reported on the Impact Aid application. This information is then used by ED to qualify districts to receive funds.

School districts must select a date on which they will collect information to identify the number of federally connected children in their student body. The survey date can be anytime from the 4th day of school up to January 31. No parent pupil survey forms or source check documents may be signed prior to this date. If they are signed prior to the date or not signed and dated at all, they cannot be counted. The enrollment captured on the chosen date is used in determining eligibility of a district to be considered for Impact Aid.

As described above, in conjunction with or in lieu of survey forms, school districts can use a source check form to verify the pupil's place of residence or parents' place(s) of employment at the time of the survey. source checks are generally used by school districts that are trying to capture data not received through returned parent pupil survey forms. While districts that are 100 percent impacted use only source check documents, survey forms are generated by others school districts and include the same information as required on the parent-pupil survey form. Information on the forms and surveys is verified in the following ways:

- Installations may certify that parents are active duty on the survey date and that they live on Federal property.
- Installations may certify that civilian employees were working on Federal property on the survey date.
- Contractors may certify that their employees reported directly to the installation on the survey date and that more than 50 percent of their time is spent in that capacity.
- Low-rent housing agencies may certify that certain children were residing at these locations on the survey date.

## Filling Out the Application

The following is a summary of each table that a school district must fill out on the Impact Aid application. As indicated earlier, the actual form can be accessed through the e-Application system. A link to this site can be found in the Resources section of this module.

- Table 1 – Children With Disabilities who live on Federal property and whose parents work on Federal property
- Table 2 – Children With Disabilities who live off Federal property but whose parents work on Federal property
- Table 3 – Children who live on Federal property and whose parents work on Federal property
- Table 4 – Children who live on Federal property but whose parents do not work on Federal property
- Table 5 – Children whose parents are on active duty or are foreign military officers or work on Federal property
- Table 6 – Membership on date of survey
- Table 7 – Fiscal information required if Children With Disabilities payment was received the prior year
- Table 8 – School Districts that operate Department of Education-owned facilities
- Table 9 – Military housing undergoing renovation or rebuilding
- Table 10 – Documentation of construction payments made in the prior fiscal year

## ED Impact Aid Formula

Federal funding formulas for Impact Aid varies by program. Basic Support Payments (BSP) use a formula with two main parts. The first part, or the BSP maximum, represents the amount that a district would receive if the Impact Aid Program were fully funded by Congress, which has never been the case. The variables considered in calculating the BSP maximum include the number and weight of families that live and work on Federal property, reside in low-rent housing, or who work on Federal land. Weights are used to determine the relative impact various federally connected children place on a school district and, therefore, the reimbursement rates necessary to cover this cost.

The second main factor in the funding formula for Basic Support Payments is the Learning Opportunities Threshold (LOT). The LOT is the adjustment that determines the scaled down payment to be given to a district when the program is not fully funded. Since Impact Aid is normally not fully funded, the LOT adjustment usually determines the final payment made to a district.

The Impact Aid Children With Disabilities Program uses a formula similar to the BSP program, but Children With Disabilities formulas apply a different weight to federally connected children with disabilities. This is because districts that support these families are eligible for additional funding under Impact Aid.

The section 8003(b) Impact Aid formula is a technical formula that can be broken down into six steps (outlined below). The first three steps are how Impact Aid calculates the cost of educating federally connected children. The cost is calculated by looking at the percentage of Federally connected children in a LEA and adding it to the percentage amount of the maximum payment in relation to the operating budget or Total Current Expenditures (TCE). The second adjustment is a percentage determined by the Department based on all the data received and the amount of the appropriation. Impact Aid suggests that LEAs budget using a LOT% paid figure of 90 percent.

### Steps for Basic Support Payment (BSP) Calculation

(All of this information is shown on the Impact Aid voucher a school district receives.)

1. The number of children \* attendance rate = Average Daily Attendance (ADA)
2. ADA \* Weight in the law = Weighted Student Units (WSU)
3. WSU \* Local Contribution Rate (LCR) = Maximum Basic Support Payment (Max BSP)
4. Max BSP \* LOT % = Full LOT
  - a. LOT % = Membership % + Total Current Expenditure % (TCE %)
  - b. Membership % = Eligible Federally Connected Children / Total Membership
  - c. TCE % = MaxBSP / Total Current Expenditures
5. Full LOT \* LOT% Paid= Prorated LOT
6. Prorated LOT = Amount Paid to District

The section 8003(d) payment for children with disabilities (CWD) is similar to the 8003(b) formula. The payments are made only for children residing on Indian Lands or children of members of the active duty

uniformed services. The other categories of children do not receive payments under this section of the law. In order to be eligible, a student must have an Individualized Education Plan (IEP) in place on the survey date.

1. The number of children \* attendance rate = Average Daily Attendance (ADA)
2. ADA \* Weight in the law = Weighted Student Units (WSU)
3. WSU \* CWD Rate = payment

## Lesson Three Summary

### Key Points:

- The most important vehicle for school districts receiving ED Impact Aid funds is the annual application process, due no later than January 31 of each year.
- When identifying federally connected children in their enrollment, districts can count the number of children by conducting an annual survey of parents or by conducting a source check, meaning providing the installation or employer with a list of children it believes are federally connected and having those entities verify the status.
- Federal funding for Impact Aid varies by program.
- **Looking Forward:** Next, learn about types of DoD Impact Aid funds.

## Lesson Four: Types of Department of Defense Impact Aid Funds

**Lesson Overview:** Distinctions among the two types of Federal Impact Aid programs, ED and DoD, are important for School Liaisons to understand and communicate to installations, families, and school stakeholders. DoDEA administers three DoD Impact Aid programs.

### Learning Objectives:

Upon completing this lesson, School Liaisons will be able to:

- Describe the distinction between ED and DoD Impact Aid programs, including their missions and purposes.
- List and compare the three DoD Impact Aid programs.

## Department of Defense Impact Aid Funds

The U.S. Congress has allocated approximately \$40 million per year in recent years for Department of Defense (DOD) Impact Aid programs to further assist school districts that educated military-connected children. The funding amount is subject to yearly appropriations by Congress.

Within the DoD, the Department of Defense Education Activity (DoDEA) Educational Partnership Program administers the three DoD Impact Aid programs. Eligibility for these programs is determined, in part, by data provided by ED. They are the following:

### Impact Aid Supplement Program

- This program offers Federal aid to school districts where military-connected children make up at least 20 percent of average daily attendance. Districts that meet the average daily attendance requirement are contacted by DoD directly, based on eligibility data provided by ED. Funding for this program has been allocated for the past 20 years and annually averages \$35 million. In recent years about 115 school districts were eligible. There is no application process for the Supplement Program; school districts are notified by DoDEA of award by June.

### Impact Aid for Children With Severe Disabilities Program (CWSD)

- This program aims to support schools serving two or more military-connected children with severe disabilities that meet certain special education cost criteria. In 2010, 47 LEAs received DoD Impact Aid for CWSD. To receive these funds, school districts must fill out an application. The average annual funding for this program has been \$4 million in recent years. Applications are generally due sometime in July and school districts are notified of award by September for this program.

### Impact Aid for Large Scale Rebasing Program (BRAC)

- Although Congress does not always fund this program (no funds have been allocated since 2007), BRAC provides financial assistance to school districts that are heavily impacted by an overall increase or reduction of their population. Eligible schools in this category have had a 20 percent average daily attendance of military-connected students in the previous year, and then a 5 percent increase or reduction and/or change by 250 students in the current year, due to large scale rebasing.

## Lesson Four Summary

### Key Points:

- Eligibility for DoD Impact Aid programs is determined by ED.
- There are three types of DoD Impact Aid programs including the Impact Aid Supplement Program, Impact Aid for Children With Severe Disabilities Program, and Impact Aid for Large Scale Rebasing Program.
- DoD Impact Aid programs assist school districts that experience increased enrollment of military-connected children but do not enjoy the benefits of added property tax revenue from military families.
- **Looking Forward:** Next, learn about the School Liaison's role in building participation in Impact Aid programs.

## Lesson Five: Building Participation

**Lesson Overview:** Given that School Liaisons are a key bridge between installations, families, and schools, it is important to understand how to identify and develop channels of communication and best practices in supporting activities that maximize participation in Impact Aid programs.

- **Learning Objectives:**

Upon completing this lesson, School Liaisons will be able to:

- Identify channels of communication and develop an approach for supporting and increasing participation in the ED Impact Aid program.
- Identify best practices for completing information to support local participation in the ED Impact Aid data collection process.

## Ways School Liaisons Can Help

It is important for School Liaisons, school leaders and district representatives to work together with military families to ensure that the return rates on Impact Aid survey forms are as high as possible in order to maximize the potential financial impact. Here are some examples of ways School Liaisons can assist in the process:

- Have the senior officer at the installation write a letter to the military families in the area reinforcing the responsibility of everyone in the community to support the local LEA. Post it electronically, send it via e-mail, and make large versions of it to post in highly visible areas.
- Create an advertising campaign at highly traveled areas on the installation such as the Main Gate, the commissary, the PX, etc. Use posters, flyers, e-mails to remind military and civilian employees of the deadlines.
- Provide extra copies of the survey forms around the installation and post one to the Web site.
- Arrange a meeting with the school district leadership to identify any areas that they may need assistance. Reaching out is key to establishing a good working relationship.
- Once the preliminary meeting has been conducted, suggest a follow up meeting with district and installation senior officials to identify new avenues of support.
- Foster trust in the system—communicate with families to assure them that the information provided on Impact Aid forms is confidential and available only to school and Federal officials.
- Initiate contact for areas of the application that require certification from the installation such as the installation commander's office and/or the base housing office to verify the parents of the students who are on active duty and to verify that the family lived on base. Work with the local media to inform the general public about the importance of returning the forms. Radio advertisements are a generally inexpensive and effective way to spread the word.
- Meet with local PTA groups to promote the return of forms.
- Organize or sponsor a party at a local restaurant for the class that has all of their forms turned in first. Children love competition and this has proven to be extremely effective.
- Run a small toy and candy drive to help supply teachers with small individual incentives for children to return the forms.
- Periodically check in with the district on the rate of return. Offer to help track down forms that are outstanding by making phone calls or sending reminder e-mails.

## Lesson Five Summary

### Key Points:

- School Liaisons and school leaders must work together with families to ensure that the return rates on Impact Aid survey forms are as high as possible in order to maximize the potential financial impact.
- **Looking Forward:** Next, assess your learning of this lesson.

## Module Summary

**Module Overview:** This module provides information about the history of Impact Aid programs from the Department of Education (ED) and the Department of Defense (DoD), their purpose, how they are administered and suggestions for improving the participation of military families in Impact Aid form collection processes for the ED Impact Aid programs.

### Key Points:

- Impact Aid programs from the U.S. Department of Education (ED) and the Department of Defense (DoD) provide financial support to school districts serving military-connected children or are located on federally connected land.
- Schools that receive Impact Aid sometimes operate with less local revenue available to other school districts because Federal property is exempt from local property taxes.
- Impact Aid programs support local school districts with concentrations of children that reside 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 military or employed on eligible Federal properties.
- Impact Aid is a major source of general funding for 9.8 percent of U.S. school districts, and in some cases supplies as much as 75 percent of the local educational operating budget.
- The Impact Aid program receives approximately \$17.5 million annually for school construction that are distributed by formulas or competitive grants.
- Federal funding for Impact Aid include payments for Federal property, basic support, children with disabilities, and construction grants.
- Basic Support Payments account for nearly all Impact Aid funding, and districts must have at least 3 percent federally connected students in their average daily attendance or 10 percent of total student enrollment who live on Federal property or whose parent works on Federal property to be eligible for funds.
- Impact Aid calculations are based counts from the previous year, so funding only impacts a current school year.
- School Construction Payments help federally impacted areas finance education capital needs but unlike other Impact Aid programs, they are competitive, not formula grants.
- The most important vehicle for school districts receiving ED Impact Aid funds is the annual application process, due no later than January 31 of each year.
- When identifying federally connected children in their enrollment, school districts can count the number of children by conducting an annual survey of parents or by conducting a source check. A source check is when a district provides the installation or employer with a list of children it believes to be federally connected and the installation or employer verifies the status.
- Federal funding for Impact Aid varies by program.
- Eligibility for DoD Impact Aid programs is determined by ED.
- There are three types of DoD Impact Aid programs: the Impact Aid Supplement Program, Impact Aid for Children with Severe Disabilities Program, and Impact Aid for Large Scale Rebasing Program.
- DoD Impact Aid programs assist school districts that experience increased enrollment of military-connected children, but do not enjoy the benefits of added property tax revenue from military families.

- School Liaisons and school leaders must work together with families to ensure that the return rates on Impact Aid survey forms are as high as possible in order to maximize the potential financial impact.

**Looking Forward:** Next, learn about school choice and the role of the School Liaisons in making sure that families make informed decisions about their child's education.