



**More than 4.7 million acres of federal land within Coconino County is not taxable. Only 13 percent of land in the County is private land. Support for Federally Impacted Schools is critical to the ability for the County to deliver quality education to citizens who work on and are impacted by federal land.**

- **Coconino County asks for continued federal support for the Federally Impacted Schools Program.**

**Background:**

- 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 and meet the requirements of Every Student Succeeds Act, 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, impact aid has been assisting over 1,300 school districts, serving over 11 million students across the U.S. 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 VII 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.
- Impact aid has not been fully funded since 1969 despite an increase in millions over the past few years. Impact aid funding is appropriated and overseen annually by Congress and the House and Senate Labor, Health and Human Service, Education Appropriations Subcommittee. The subcommittee allocates funding to the following five streams: Federal property, basic support, disability, construction, and facilities. School districts are not eligible to receive all available funds, but can apply to those applicable to their district meeting the funding criteria. According to the National Association of Federally Impacted Schools Arizona is number one for impact aid funding with Alaska and Texas following.



- **Funding Criteria:**

The subcommittee allocates funding to the following five streams: Federal property, basic support, disability, construction, and facilities.

- **Section 7002 Funding: Federal Property:**

- Federal property reimburses school districts that have lost local revenue due to the Federal ownership of land within the boundaries of school districts. The two eligibility requirements for Section 7002 are:
  - The Federal Government obtained property after 1938
  - The assessed valuation of the property, when obtained by the Federal Government, is at least 10-percent of the school district's total assessed value.
  - There are no school districts on or near the Navajo Nation who receive Section 7002 funding. (Source Department of Diné Education-Office of Educational Research & Statistics-August 2017)

- **Section 7003 (Section 7003(b)) Funding: Basic Support Payments:**

The second funding opportunity is referred to as Basic Support; it is considered the largest contribution from impact aid. School districts under this provision are compensated for educating students whose parents or legal guardians live and/or are employed on Federal property, including children who reside on Indian lands. To help justify their eligibility, school districts can use the U.S. Department of Education-approved form to count federally connected students or use an outside resource, such as a tribal office or the Bureau of Indian Affairs

- **Section 7003 (Section 7003 (d)) Children with Disabilities Payments:**

The third funding opportunity is entitled Payments for Children with Disabilities. This funding provides 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.

- **Section 7007 Construction Grants:**

The fourth component of impact aid is construction grants. 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 7007(a) provides formula grants to the local school districts based on the number of eligible federally connected children they educate. Section 7007(a) was funded in fiscal year 2016. Section 7007(b) provides competitive grants for emergency repairs and modernization.



## Federally Impacted Schools

- **Section 7008 Facilities Maintenance:**

The final component of impact aid is facilities grants. The U.S. Department of Education owns a limited number of school facilities that are operated by local educational agencies (LEA) that serve military installations. Section 7008 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.

### **FY2017 Impact Aid Received by Coconino County School Districts:**

○ Coconino Accommodation District	\$96,000
○ Flagstaff Unified	\$230,000
○ Grand Canyon Unified	\$412,000
○ Fredonia Moccasin Unified	\$55,500
○ Page Unified	\$6,180,000
○ Tuba City Unified	\$10,500,000
○ Coconino County Total:	\$17,473,500