

CAPTURING FEDERAL FUNDING THROUGH IMPACT AID: What It Is and Why It Is Important

Impact Aid is the oldest elementary-secondary federal education program administered by the United States Department of Education currently in law. It was first passed in 1950 under President Harry S Truman to make up for lost tax revenues to school districts due to the non-taxable status of military installations or bases located within the boundaries of the district. It later developed into a program that reimburses school districts that are imposed upon by a federal presence, whether it is military, Indian lands, low rent housing, or other federal property. Because people living and/or working on federal property do not pay local property tax, the schools in the district lose a significant amount of revenue.

Located within the boundaries of the Los Alamitos Unified School District are two military bases—the Joint Forces Training Base in Los Alamitos and the Naval Weapons Station in Seal Beach. These two military bases remove 5,792 acres of land or about 40% of the total District from the property tax roles of the District and an estimated \$31.7 billion in assessed value.

The District projects that we will receive about \$3 million in Federal Impact Aid funding each year, which is less than 6% of the lost revenue that otherwise the District is entitled to under the law; however, funding at the Federal level is significantly less than the entitlement.

The funding we do receive is critical to the District, as it comes unrestricted and in most years means the difference between having a sound educational program and being fiscally balanced or not. Annually this federal funding source makes up approximately 5 percent of our unrestricted operational revenue.

Currently, the United States Congress is looking at the reauthorization of this law which over the past few years was included into the package of laws now referred to as “No Child Left Behind.” The District will seek to support the reauthorization of the Impact Aid program. We want you to know how important this funding source is to our District and our kids.